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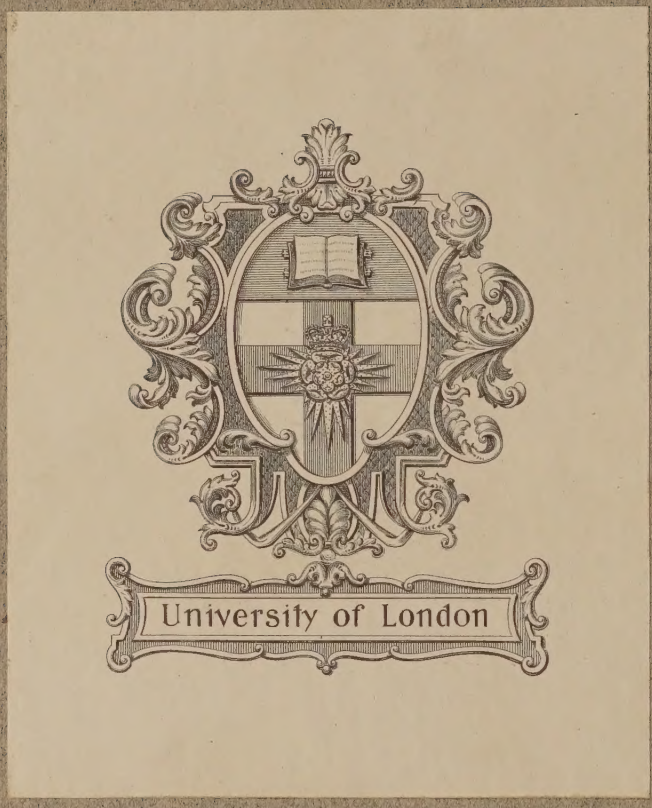
University of London

REPORTS

FROM

COMMITTEES:

ELEVEN VOLUMES.

—(6.—Part I.)—

BANK ACTS.

Session

30 *April* —— 28 *August* 1857.

VOL. X.—Part I.

1857—Sess. 2.

REPORTS FROM COMMITTEES:

1857—Sess. 2.

ELEVEN VOLUMES:—CONTENTS OF THE

SIXTH VOLUME—PART I.

N. B.—*THE* Figures *at the* beginning of the line, *correspond with the* N° *at the foot of each* Report; *and the* Figures *at the* end of the line, *refer to the* MS. Paging *of the Volumes arranged for The House of Commons.*

BANK ACTS:

220. REPORT from the Select Committee on BANK ACTS; together with the PROCEEDINGS of the COMMITTEE, MINUTES of EVIDENCE, APPENDIX and INDEX.—PART I. REPORT and EVIDENCE p. 1

BANK ACTS:

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REPORT

FROM THE

SELECT COMMITTEE

ON

BANK ACTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

APPENDIX AND INDEX.

PART I.
REPORT AND EVIDENCE.

Ordered, by The House of Commons, *to be Printed,*
30 *July* 1857.

Veneris, 6° *die Februarii*, 1857.

Ordered, That a Select Committee be appointed to inquire into the Operation of the Bank Act of 1844 (7 & 8 Vict. c. 32), and of the Bank Acts for Ireland and Scotland of 1845 (8 & 9 Vict. c. 37 & 38).

Jovis, 12° *die Februarii*, 1857.

Ordered, That the Committee be a Committee of Secrecy, and do consist of Twenty-two Members.

Committee nominated.

The Chancellor of the Exchequer.	Mr. Disraeli.
Sir James Graham.	Mr. Spooner.
Mr. Gladstone.	Mr. G. A. Hamilton.
Mr. Cardwell.	Mr. Wilson.
Mr. Hildyard.	Mr. Glyn.
Mr. Beckett.	Mr. Hankey.
Mr. Pollard-Urquhart.	Mr. John Lewis Ricardo.
Sir Charles Wood.	Mr. Cayley.
Sir Francis Baring.	Mr. Wilkinson.
Mr. Martin Tucker Smith.	Mr. Fergus.

Ordered, That the Committee have power to send for Persons, Papers, and Records.

Ordered, That Five be the Quorum of the Committee.

Lunæ, 16° *die Februarii*, 1857.

Ordered, That Mr. *Weguelin* and Mr. *Blackburn* be added to the Committee.

Ordered, That the Committee do consist of Twenty-four Members; and that Mr. *Vance* and Mr. *Laing* be added to the Committee.

SESSION 2.

Lunæ, 11 *die Maii*, 1857.

Ordered, That a Select Committee be appointed to inquire into the operation of the Bank Act of 1844 (7 & 8 Vict. c. 32), and of the Bank Acts for Ireland and Scotland of 1845 (8 & 9 Vict. c. 37 & 38).

Martis, 12° *die Maii*, 1857.

Ordered, That the Committee do consist of Twenty-five Members.

Committee nominated—

Mr. Chancellor of the Exchequer	Mr. Disraeli.
Sir James Graham.	Mr. Spooner.
Mr. Gladstone.	Mr. G. A. Hamilton.
Sir Charles Wood.	Mr. Glyn.
Mr. Wilson.	Mr. Cayley.
Sir Francis Baring.	Mr. Vance.
Mr. Weguelin.	Mr. Hildyard.
Mr. Hankey.	Mr. Blackburn.
Mr. M. Tucker Smith.	Mr. Fergus.
Mr. Hope Johnstone.	Mr. John Lewis Ricardo.
Mr. Ennis.	Mr. Tite.
Mr. Puller.	Mr. Ball.
The Earl of Gifford.	

Ordered, That the Committee have power to send for Persons, Papers, and Records.

Ordered, That Five be the Quorum of the Committee.

Report of last Session referred.

Jovis, 30° *die Julii*, 1857.

Ordered, That the Committee have power to report their Observations, and the Minutes of Evidence taken before them, to the House.

REPORT.

THE SELECT COMMITTEE appointed to inquire into the Operation of the Bank Act of 1844 (7 & 8 Vict. c. 32), and of the Bank Acts for Ireland and Scotland of 1845 (8 & 9 Vict. c. 37 & 38), and to whom the Report of the Secret Committee of last Session was referred;——Have examined into the matters to them referred, and have agreed to the following REPORT:—

YOUR COMMITTEE have prosecuted the inquiry into the Bank Acts of 1844 and 1845, which had been commenced by a Select Committee in the previous Session; and they have examined the late and present Governor of the Bank of England, together with other Witnesses, whose experience and knowledge gave authority to their opinions.

Your Committee have agreed to report to the House the Evidence which they have received; and as their investigation of the subject referred to them is still incomplete, they beg leave to recommend that a Select Committee be appointed to resume the inquiry in the ensuing Session of Parliament.

30 *July* 1857.

PROCEEDINGS OF THE COMMITTEE.

Mercurii, 18° *die Februarii.*

The Committee met.

MEMBERS PRESENT:

Mr. Beckett.
Mr. Cayley.
Mr. Hildyard.
Mr. Spooner.
Mr. Laing.
Mr. Cardwell.
Mr. Hankey.
Mr. Glyn.
Mr. Blackburn.
Mr. Wilson.
Mr. Wilkinson.
Mr. Vance.
Mr. Gladstone.
Mr. Fergus.
Sir James Graham.
Mr. Pollard-Urquhart.
Mr. Ricardo.
Mr. Weguelin.
Mr. M. T. Smith.

Mr. CARDWELL called to the Chair.

Committee to meet Tuesdays and Fridays, 12 o'clock.

[Adjourned to Tuesday next, at Twelve.

Martis 3° *die Martii.*

MEMBERS PRESENT:

Mr. CARDWELL in the Chair.

Mr. Chancellor of the Exchequer.
Mr. Spooner.
Mr. Beckett.
Mr. Hankey.
Mr. Pollard-Urquhart.
Mr. Martin T. Smith.
Mr. Wilkinson.
Mr. Cayley.
Mr. Blackburn.
Mr. Weguelin.
Mr. Fergus.
Mr. Laing.
Mr. Vance.
Sir James Graham.
Mr. Hildyard.
Mr. Glyn.
Mr. G. A. Hamilton.
Sir C. Wood.
Sir F. Baring.
Mr. Gladstone.
Mr. Ricardo.

Thomas Matthias Weguelin, Esq., a Member of the Committee, and *Sheffield Neave*, Esq., Deputy-governor of Bank of England, examined.

[Adjourned to Friday next, at Twelve.

Veneris, 6° *die Martii*, 1857.

MEMBERS PRESENT:

Mr. CARDWELL in the Chair.

Mr. Hildyard.
Mr. Glyn.
Mr. G. A. Hamilton.
Mr. Pollard-Urquhart.
Mr. Blackburn.
Mr. Fergus.
Mr. Wilkinson.
Mr. M. T. Smith.
Mr. Spooner.
Mr. Vance.
Mr. Wilson.
Mr. Weguelin.
Mr. Ricardo.
Sir F. Baring.
Mr. Gladstone.

The Committee deliberated.

[Adjourned to Tuesday, at Two o'clock.

Martis 10° *die Martii*, 1857.

MEMBERS PRESENT:

Mr. CARDWELL in the Chair.

Mr. Chancellor of the Exchequer.
Mr. Spooner.
Mr. Glyn.
Mr. Vance.
Mr. Blackburn.
Mr. Hankey.
Mr. M. T. Smith.
Mr. Wilkinson.
Sir James Graham.

Report read as follows:

Your Committee had commenced the prosecution of the inquiry referred to them by the House, when circumstances occurred which rendered it, in their judgment, expedient to suspend for the present the further examination of witnesses.

They have partially examined the Governor and Deputy-governor of the Bank, and have resolved to report to the House that evidence, together with the documents that have been laid before them.

Report again read, and agreed to.

Ordered to report.

SESSION 2.

Veneris, 15° *die Maii*, 1857.

MEMBERS PRESENT:

Mr. Blackburn.
Mr. Hope Johnstone.
Mr. Weguelin.
Mr. Hankey.
Mr. Fergus.
Mr. Glyn.
Mr. Tyte.
Earl of Gifford.
Mr. Vance.
Mr. Spooner.
Sir F. Baring.
The Chancellor of the Exchequer.
Mr. Wilson.
Sir James Graham.
Mr. Ricardo.
Mr. Puller.
Mr. Ennis.
Mr. Gladstone.
Mr. Hildyard.

The CHANCELLOR of the EXCHEQUER called to the Chair.

Report of last Session to be printed.

Committee to meet Tuesdays and Fridays.

[Adjourned to Tuesday next, at Twelve.

Martis, 19° *die Maii*, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair.

Mr. Cayley.	Mr. Vance.
Sir F. Baring.	Mr. Hankey.
Mr. Spooner.	Earl of Gifford.
Mr. Glyn.	Mr. H. Drummond.
Mr. Fergus.	Mr. Gladstone.
Mr. Ball.	Mr. Wilson.
Mr. Blackburn.	Sir James Graham.
Mr. Weguelin.	Mr. Tite.
Mr. Hildyard.	Mr. Ennis.
Mr. Ricardo.	Mr. M. T. Smith.
Mr. Puller.	

Petition of Vice-President of the Leeds Chamber of Commerce, presented 18 May, read.

Petition of Bankers and Managers of Joint Stock Banks in the county of Kent, presented 18 May, read.

Mr. *Weguelin* and Mr. *S. Neave* were examined.

[Adjourned to Friday next, at Twelve.

Veneris, 22° *die Maii*, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair.

Mr. Hope Johnstone.	Mr. G. A. Hamilton.
Sir James Graham.	Mr. Wilson.
Mr. Cayley.	Mr. Blackburn.
Mr. Glyn.	Earl of Gifford.
Mr. Ennis.	Mr. Spooner.
Mr. Tite.	Mr. Hildyard.
Mr. Hankey.	Mr. Ricardo.
Mr. Weguelin.	Mr. M. T. Smith.
Mr. Fergus.	Mr. Gladstone.
Mr. Puller.	Mr. Disraeli.
Mr. Vance.	Mr. Ball.

Mr. *Weguelin* was further examined.

Petition of Liverpool Chamber of Commerce, 19 May, read.

Petition from Cumberland, Westmorland and Lancashire, presented 21st May, read.

[Adjourned to Friday next, at Twelve o'clock.

Veneris, 29° *die Maii*, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair.

Sir F. Baring.	Mr. H. Johnstone.
Mr. Spooner.	Mr. Weguelin.
Sir James Graham.	Mr. Tite.
Mr. Ennis.	Lord Gifford.
Mr. Wilson.	Mr. Hildyard.
Mr. Glyn.	Mr. Gladstone.
Mr. Fergus.	Mr. Vance.
Mr. Hankey.	Mr. G. A. Hamilton.
Mr. Puller.	Mr. Disraeli.

Mr.

Mr. *Weguelin* was further examined.

Petition of National Reform Association, and other Inhabitants of Liverpool, read; presented 25 May. Petition from Bankers in county of Monmouth, and Petition from Bankers, county of Gloucester, presented 28 May, read.

[Adjourned to Friday next, at Twelve.

Veneris, 5° die Junii, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair.

Sir Francis Baring.	Mr. Hankey.
Mr. Blackburn.	Mr. Hildyard.
Mr. Weguelin.	Lord Gifford.
Mr. Tite.	Mr. Wilson.
Mr. Puller.	Mr. Hope Johnstone.
Mr. Ennis.	Mr. G. A. Hamilton.
Mr. Glyn.	Mr. Ricardo.
Mr. Spooner.	Mr. Vance.
Mr. Fergus.	

Petition of Bankers of counties of York and Derby, presented 4 June, read.

Mr. *Weguelin* further examined.

Mr. *W. Newmarck* examined.

[Adjourned to Tuesday next, at Twelve.

Martis, 9° die Junii, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair.

Mr. Glyn.	Earl of Gifford.
Mr. H. Johnstone.	Mr. Vance.
Mr. Ball.	Sir Charles Wood.
Mr. Ennis.	Mr. Hildyard.
Mr. Weguelin.	Mr. Tite.
Mr. Disraeli.	Mr. Blackburn.
Sir F. Baring.	Mr. Hankey.
Mr. Fergus.	Mr. Puller.
Mr. Wilson.	Mr. Spooner.

Mr. *Newmarck* further examined.

[Adjourned to Friday next, at Twelve.

Veneris, 12° die Junii, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair

Mr. Hope Johnstone.	Mr. Hankey.
Mr. Glyn.	Mr. Tite.
Mr. Weguelin.	Mr. Vance.
Mr. Hildyard.	Mr. Wilson.
Mr. Blackburn.	Sir Francis Baring.
Mr. Ball.	Sir Charles Wood.
Mr. Puller.	Mr. M. T. Smith.
Mr. Spooner.	Sir James Graham.
Mr. Fergus.	Mr. Disraeli.

Mr. *John Stuart Mill* examined.

Ordered, That the Petitions referred to this Committee be printed in the Appendix.

[Adjourned to Friday next, at Twelve.

Veneris, 19° *die Junii*, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair.

Mr. Wilson.
Sir F. Baring.
Mr. Spooner
Mr. G. A. Hamilton.
Mr. Ennis.
Mr. Blackburn.
Mr. Puller.
Mr. Hildyard.
Mr. Hankey.
Mr. Fergus.
Mr. Vance.
Mr. Cayley.
Mr. Ball.
Mr. Disraeli.
Mr. Tite.
Mr. Weguelin.
Mr. M. T. Smith.
Mr. Ricardo.
Mr. Home Drummond.
Earl of Gifford.
Sir James Graham.

Mr. *J. G. Hubbard* examined.

Petition from Wakefield and Pontefract, and Petition from Derby and Derbyshire Banking Company, presented 12 June; and Petition from Glasgow, presented 15 June; read.

[Adjourned to Friday next, Twelve o'clock.

Veneris, 27° *die Junii*, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair.

Mr. Wilson.
Mr. Spooner.
Mr. Cayley.
Mr. Blackburn.
Mr. G. A. Hamilton.
Mr. Vance.
Mr. Hildyard.
Mr. Hankey.
Mr. M. T. Smith.
Mr. Weguelin.

Petition from certain Bankers issuing their own Notes, presented 19 June, read.

Mr. *J. G. Hubbard* further examined.

[Adjourned to Tuesday next, at Twelve.

Martis, 30° *die Junii*, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair.

Sir C. Wood.
Mr. H. Johnstone.
Mr. Hildyard.
Mr. Fergus.
Mr. Spooner.
Mr. Blackburn.
Mr. M. T. Smith.
Mr. Hankey.
Mr. Wilson.
Mr. Ennis.
Mr. Tite.
Mr. Weguelin.
Sir F. Baring.
Mr. G. A. Hamilton.
Earl of Gifford.
Mr. Ricardo.
Mr. Cayley.

Mr. *G. W. Norman* examined.

[Adjourned to Friday next, at Twelve.

Veneris, 3° *die Julii*, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair.

Mr. Wilson.	Mr. Cayley.
Mr. Weguelin.	Sir James Graham.
Mr. M. T. Smith.	Mr. Hildyard.
Mr. Tite.	Mr. Hankey.
Mr. Ennis.	Mr. Puller.
Mr. Spooner.	Mr. Gladstone.
Sir Charles Wood.	Earl of Gifford.
Mr. Hope Johnstone.	Mr. Ball.
Mr. Vance.	Mr. Fergus.

Mr. *George Warde Norman*, examined.

Petition of Bankers of counties of Lincoln and Northampton, presented 2 July, read.

[Adjourned to Tuesday next, at Twelve.

Martis, 7° *die Julii*, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair.

Mr. Spooner.	Mr. H. Johnstone.
Mr. Wilson.	Mr. Ennis.
Sir Charles Wood.	Earl of Gifford.
Mr. Cayley.	Mr. Tite.
Mr. Fergus.	Mr. Ricardo.
Mr. Hildyard.	Mr. Gladstone.
Mr. Weguelin.	Sir James Graham.
Mr. Hankey.	

The Lord *Overstone*, by leave, examined.

[Adjourned to Friday next, at Twelve.

Veneris, 10° *die Julii*, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair.

Sir Charles Wood.	Mr. Vance.
Mr. Wilson.	Mr. Spooner.
Mr. Cayley.	Mr. Hope Johnstone.
Mr. Blackburn.	Mr. Ricardo.
Mr. M. T. Smith.	Mr. Weguelin.
Mr. Fergus.	Mr. Gladstone.
Sir James Graham.	Mr. Hankey.
Mr. Hildyard.	

The Lord *Overstone* further examined.

[Adjourned to Tuesday next, at Twelve o'clock.

Martis, 14° *die Julii*, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair.

Sir Charles Wood.	Mr. Weguelin.
Mr. Glyn.	Mr. Ball.
Mr. Blackburn.	Mr. Cayley.
Mr. M. T. Smith.	Mr. Gladstone.
Mr. Hankey.	Mr. Vance.
Mr. Spooner.	Mr. Hildyard.
Mr. Ennis.	Mr. Hope Johnstone.
Mr. Fergus.	Mr. Wilson.
Earl of Gifford.	Sir James Graham.

The Lord *Overstone* further examined.

Mr. *Nathaniel Alexander* examined.

[Adjourned to Friday next, at Twelve o'clock.

Veneris, 17° *die Julii*, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair.

Mr. Spooner.	Sir F. Baring.
Mr. Puller.	Mr. Glyn.
Mr. Fergus.	Mr. Wilson.
Mr. Hankey.	Mr. Gladstone.
Mr. Cayley.	Mr. Weguelin.
Mr. M. T. Smith.	Mr. Ennis.
Mr. Vance.	Sir James Graham.
Mr. Hildyard.	

Mr. *John Twells* examined.

[Adjourned to Tuesday, at Twelve o'clock.

Martis, 21° *die Julii*, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair.

Mr. Glyn.	Mr. Wilson.
Mr. Spooner.	Mr. Gladstone.
Mr. Hankey.	Mr. Hildyard.
Mr. Weguelin.	Mr. Fergus.
Mr. Puller.	Mr. Tite.
Mr. M. T. Smith.	Mr. Ball.
Mr. G. A. Hamilton.	

Mr. *David Barclay Chapman* examined.

[Adjourned to Friday next, at Twelve.

Veneris, 24° *die Julii*, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair.

Mr. Wilson.	Mr. Weguelin.
Mr. Spooner.	Mr. Hankey.
Mr. Cayley.	Mr. Puller.
Mr. Glyn.	Mr. Tite.
Mr. Ennis.	Mr. M. T. Smith.
Mr. Vance.	Mr. Ball.
Mr. Hildyard.	Mr. Ricardo.
Sir F. Baring.	

Petition from Glasgow, presented 21 July, read.

Mr. *D. B. Chapman* and Mr. *Edward Capps* examined.

[Adjourned to Tuesday, Two o'clock.

Martis, 28° *die Julii*, 1857.

MEMBERS PRESENT:

The CHANCELLOR of the EXCHEQUER in the Chair.

Mr. Wilson.	Sir James Graham.
Mr. Ball.	Mr. Tite.
Mr. Blackburn.	Mr. Hankey.
Mr. Spooner.	Mr. Glyn.
Mr. Ennis.	Mr. Gladstone.
Mr. Hildyard.	Sir C. Wood.
Mr. Vance.	Sir F. Baring.

Report read, as follows:—

"Your Committee have prosecuted the inquiry into the Bank Acts of 1844 and 1845, which had been commenced by a Select Committee in the present Session, and they have examined the late and present Governor of the Bank of England, together with other witnesses, whose experience and knowledge gave authority to their opinions.

"Your Committee have agreed to report to the House the evidence which they have received; and as their investigation of the subject referred to them is still incomplete, they beg leave to recommend that a Select Committee be appointed to resume the inquiry in the ensuing Session of Parliament."

Ordered, To report, with Minutes of Evidence, and Appendix.

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MINUTES OF EVIDENCE

Martis, 3° die Martii, 1857.

MEMBERS PRESENT:

Mr. Cardwell.	Mr. Vance.
Mr. Glyn.	Mr. Martin Tucker Smith.
Mr. Wilkinson.	Sir James Graham.
Mr. Beckett.	Sir Francis Baring.
Mr. G. A. Hamilton.	Mr. Gladstone.
Sir Charles Wood.	Mr. Cayley.
Mr. Spooner.	Mr. Ricardo.
Mr. Laing.	The Chancellor of the Exchequer.
Mr. Fergus.	Mr. Blackburn.
Mr. Pollard Urquhart.	Mr. Weguelin.
Mr. Hankey.	Mr. Hildyard.

THE RIGHT HON. EDWARD CARDWELL, IN THE CHAIR.

Thomas Matthias Weguelin, Esq., a Member of the Committee, Governor of the Bank of England, and *Sheffield Neave*, Esq., Deputy-Governor of the Bank of England; Examined.

T. M. Weguelin, Esq., M.P., and *S. Neave*, Esq.

3 March 1857.

1. *Chairman.*] (To Mr. *Weguelin.*) HOW long have you been Governor or Deputy-governor of the Bank of England?—Four years; since 1853. I was Deputy-governor two years, and have now been Governor two years.

2. You had been a Bank director for a long time previously?—Yes, 20 years.

3. Will you have the goodness to state to the Committee what has been the working of the Bank under the existing law during the time you have been Governor or Deputy-governor?—I should say that it has been satisfactory.

4. Have you found any public inconvenience arising from the operation of the Act?—No.

5. If that Act had not been in existence, and the management of the circulation as well as of the banking department had turned upon your own discretion, do you think upon looking back that you would have acted in the same manner in which you have acted under the existing law?—I think so; precisely in the same manner.

6. Your object would have been, in any case, to maintain an adequate reserve to meet your liabilities?—Yes.

7. Having regard to the circulation as well as to the deposits, you would have looked with especial care to the state of the bullion?—Yes.

8. In point of fact, your reserve is less influenced by the magnitude and fluctuation of domestic transactions than the reserve of ordinary bankers?—It is so.

9. The reason is, that your private deposits being the last resort, have in ordinary times a tendency towards an equilibrium, and that when, by discounts or otherwise, money is advanced to one person, you find it speedily returned by others?—I would say on deposits generally; not our private deposits. With that limitation, I should say that I quite agree with the question.

10. The state of your reserve therefore chiefly depends upon the exchanges?—Chiefly so.

T. M. Weguelin, Esq., M.P., and *S. Neave*, Esq.

3 March 1857.

11. When they are favourable, your reserve has a tendency to increase, and *vice versâ*?—Yes.

12. Has the period during which you have been Governor included any periods of demand for bullion?—During the whole period there has been, I should say, with very small intervals, a constant demand for bullion for exportation.

13. On the whole, has the demand been such as to take all the produce of the gold producing countries, and more besides?—Yes, such has been the case. Our stock of bullion has been reduced to the extent of some millions, notwithstanding all the bullion which has been imported in the interval.

14. I think you have a paper which will be interesting to the Committee, as showing the influx and efflux of bullion?—We can give the Committee the stock of bullion at one particular period; we can show the various amounts that have been imported in the interval, and we can show the present stock of bullion.

15. Can you put that in any separate shape, so as to be conveniently referred to in the future investigations of the Committee?—Certainly.

		£.
The stock of bullion in the beginning of 1851 was	Gold, £.14,453,000 Silver - 377,000	14,830,000
The imports since that time, so far they can be ascertained, have been as follows:		
Gold imported from the producing countries, such as Australia, California, Brazils, and Africa - - - - - - - - -		109,510,000
Silver imported from the producing countries, such as Mexico, Peru, &c. - - - - - - - - - - - - -		25,820,000
		150,160,000
Less bullion in the Bank at the end of 1856 -	Gold, £.10,103,000 Silver - 127,000	10,230,000
Making the amount, which in six years has been exported, taken into circulation, or consumed in the arts - - - - - £.		139,930,000

This estimate takes no account of the large sums which passed between this country and the Continent in the course of the ordinary exchange operations, &c., and shows only the amount which has come into or passed through England from the producing countries.

16. You can produce a paper which contains an estimate of the whole addition which has probably been made to the stock of European bullion in the last six years?—Yes, I have such an estimate, which attempts to show the effect of the gold discoveries in adding to the European stock of gold, and the effect of the drain of silver to India and China in diminishing the European stock of silver.

17. If that paper is in the shape in which you are satisfied with it, will you have the kindness to put it in?—We will have all those various items checked; and in the mean time I may state the results of this estimate to the Committee. In the six years from 1851 to 1856 inclusive, the total import of gold into Europe has been 110,000,000*l.*; during the same period the exports of gold bullion and British gold coin to countries beyond Europe may be taken at 20,000,000*l.*, which would leave as the increase to the European stock of gold, 90,000,000*l.* The amount of silver shipped to the East has been 36,530,000*l.*, of which there has been supplied by the producing countries 25,820,000*l.*; and of this there has been retained in England for coinage 1,650,000*l.*; and the amount of silver abstracted from the European stock is 10,710,000*l.*; hence the increase to the European stock of bullion would appear to be 79,290,000*l.* In round numbers you may take the increase to the European stock of bullion in those years to be 79,000,000*l.* I will hand in this estimate of the increase in the European stock of bullion in the years 1851 to 1856.

[*The same was delivered in, and is as follows*:]

ESTIMATED INCREASE of the European Stock of BULLION in Six Years, 1851–1856.

	Imports from Producing Countries.		Exports to the East from Great Britain and Mediterranean.	
	Gold.	Silver.	Gold.	Silver.
	£.	£.	£.	£.
1851 - - -	8,654,000	4,076,000	102,000	1,716,000
1852 - - -	15,194,000	4,712,000	922,000	2,630,000
1853 - - -	22,435,000	4,355,000	974,000	5,559,000
1854 - - -	22,077,000	4,199,000	1,222,000	4,583,000
1855 - - -	19,875,000	3,717,000	1,192,000	7,934,000
1856 - - -	21,275,000	4,761,000	479,000	14,108,000
£.	109,510,000	25,820,000	4,891,000	36,530,000

GOLD:		£.
The total import of gold in six years has been, say - - - -		110,000,000
The exports of gold bullion and British gold coin to India, China, Australia, the Cape, Brazils, the West Indies, United States, &c., may be taken at - - - - - - - - - -		20,000,000
Which would leave as the increase to the European stock of Gold -		90,000,000
SILVER:		
The exports of silver to India and China have been -	£. 36,530,000	
The imports from the producing countries - -	25,820,000	
Making the amount of silver abstracted from the European stock -		10,710,000
And the estimated increase in the European stock of bullion - -		79,290,000

18. Notwithstanding that great addition to the whole stock of bullion in Europe, the demand upon the Bank of England has been such as to diminish the stock of bullion during that period?—Yes, by about 5,000,000 *l.* I think the average stock of bullion held by the Bank in 1851 was 14,500,000 *l.*; you may say 15,000,000 *l.* The average stock of bullion now in the Bank is a little more than 10,000,000 *l.*, so that there has been an actual diminution in addition to all that export. The maximum stock of bullion in 1851 was 17,000,000 *l.*; the average was about 15,000,000 *l.* in 1851. The average of late has been about ten millions and a half. That has been drawn from the stock of bullion since 1851, and it must be added to the 135,000,000 *l.* which we have exported besides.

19. Is it your opinion that during that time any addition has been made to the internal gold circulation of this country?—Yes, I am inclined to think there has been. I am inclined to think there has been an addition of nearly 30 per cent. to the internal circulation of gold in the country in that period.

20. In your estimate of 79,000,000 *l.* addition to the European stock of bullion, you include, of course, any addition which has been made to the circulation of this country?—Yes.

21. To what causes do you attribute that great demand for bullion which has recently occurred?—One cause was the payment of the troops in the East. Since the war there has been a great demand for silver for the East, caused principally by

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by the failure of the silk crop, which caused a very large increase of the imports of silk from China, which have to be paid for in silver. There has also been a general failure of crops, to some extent, which has caused a considerable demand for bullion upon the European stock.

22. There have also been foreign loans?—There have also been foreign loans. There was the loan to Turkey of 5,000,000 *l.*, and two loans to Sardinia.

23. And there have been disturbances in China, tending to limit the demand in that country for the manufactures of this country?—Yes. The demand for manufactures in China has not varied much for many years; it amounts to a little more, I think, than a million, to 1,200,000 *l.*; and the rest of the debt to China is paid for either by exports, from the East Indies, of opium and other things, or by bullion from this country.

24. Have you any observations to make with regard to the Bank of France as having caused a demand for bullion upon the Bank of England?—The Bank of France has, no doubt, paid a premium upon gold beyond what the exchanges at the time warranted. The mode which they have pursued is not very intelligible; but we conclude that it has been by paying a premium upon bar gold, which induced merchants to bring bar gold to them in exchange for their notes. The way in which that has operated in favour of the stock of bullion in the Bank of France, I think, has been this, the bullion has been increased by those purchases; the notes have also been increased in exactly the same proportion; but inasmuch as it is considered that the stock of bullion, as a guarantee against the number of notes issued, should bear only a small proportion to the number of notes, of course the addition of that stock of bullion against which notes have been issued makes the appearance of the account look better than it otherwise would have done. But as regards the effect upon the exchanges of those operations of the Bank of France, I think they have been of very small account. If the Bank of France incurred a debt by this means, the only mode by which it could be paid for must have been ultimately by collecting the bills upon England, and sending them over to discount here; therefore it could only be a forestalling of the debt upon this country for some short period.

24*. But whatever the operation of the Bank of France might be, if they allowed an undue premium upon gold, would not that cause at the time a greater tendency of gold to flow from the Bank of England into France?—For a time.

25. Notwithstanding this combination of causes to which you have referred, have you always maintained a supply of bullion adequate to all your wants?—Our bullion has never declined below nine millions and a half.

26. And that you consider a perfectly adequate amount?—That enabled us to maintain a reserve of notes and gold in the banking department which never descended below 3,000,000 *l.*

27. Have you prepared a paper showing the comparative amount of bullion during the last period of demand for bullion for the Continent, as contrasted with the recent years when there has also been a great demand for bullion for the Continent?—It will be found in the papers before the Committee, showing the total amount of bullion in the Bank of England. This Paper, No. 13, is a continuation of Appendix 6 to the Report from the Select Committee on Commercial Distress. It contains the total amount of bullion to the present time.

Vide Appendix, No. 13, p. 114.

28. Will you refer to Paper, No. 10, and state the amounts as they appear there?—The lowest amount of bullion in the Bank of England in 1825, was 1,261,000 *l.*; in 1837, 3,831,000 *l.*; in 1839, 2,406,000 *l.*; in 1847, 8,313,000 *l.*; and in 1856, 9,530,000 *l.*

Vide Appendix, No. 10, p. 89.

29. Do you consider that that Return is favourable to the working of the Bank under the present system?—It shows a favourable comparison as regards the stock of bullion held.

30. We have hitherto spoken of bullion, taking gold and silver together; separating gold from silver; has not the change in the circulation of France caused an additional demand for gold for France?—Undoubtedly there has been an exchange going on of the currency of France into gold for the purpose of obtaining silver to ship to the East.

31. In a recent answer you spoke of the satisfactory amount of bullion which has been preserved by the Bank of England under the present system. Looking back to the last year, will you have the goodness to say what measures you have resorted to for the purpose of sustaining your stock of bullion notwithstanding the demand for the Continent?—During the last two years we have raised the rate

rate of discount at various times, and have placed restrictions upon the discount of bills and upon the advances made upon stock and other securities.

32. Will you state generally the considerations by which you have been guided in making those changes?—The consideration which has chiefly induced us to make those changes has been the demand for bullion, which operated in diminution of our reserve. It was necessary, therefore, to raise the rate of interest more nearly to an equilibrium with the rate of interest in foreign countries, for the purpose of correcting the exchanges.

33. In other words, under the former law you would have looked to your liabilities, with regard both to the circulation, and also to the deposits; but under the present law you have looked exclusively to your reserve?—Yes, the reserve.

34. Will you be so good as to go through the various changes which you have made either in the rate of interest, or in the other rules, by which advances have been regulated during that time?—I have here a list of the various changes in the rates, beginning at April 5th, 1855, when the minimum rate of discount for bills having not more than 95 days to run was 4½ per cent. On May 3d, it was reduced to 4 per cent. On June 14th, it was reduced again to 3½ per cent. On September 6th, it was raised to 4 per cent. On September 13th to 4½ per cent. On September 27th to 5 per cent. On October 4th to 5½ per cent. The Committee will remark that very rapid rise in the rate of interest which was caused by the commercial demand for accommodation, and for the export of bullion, occurring at the same time with a considerable demand for bullion to supply the armies in the East. On the 18th of October the rate was 6 per cent. for bills having 60 days to run, and for bills having 95 days to run it was 7 per cent. In 1856, on the 22d of May it was reduced to 6 per cent., and on the 29th of May to 5 per cent., and on the 26th of June to 4½ per cent., the minimum rate. There then occurred a great demand, and the rate was raised by order of the Governor on October the 1st to 5 per cent. That was not on the ordinary weekly court day, but in the interval of the court. On October the 6th (which was again not on a court day, but on a Monday) the rate was raised to 6 per cent. for 60 days' bills, and to 7 per cent. for bills not having more than 95 days to run. On November the 13th, the minimum rate for bills of all descriptions having not more than 95 days to run was raised to 7 per cent. On December the 4th, it was reduced to 6½, and on December the 18th to 6 per cent., at which it now stands. Here is also an account of the variations with regard to temporary advances upon stock. The first recent deviation from the practice that temporary advances on stock and Exchequer Bills should be made at the Bank minimum rate ordinarily, and at a half per cent. below the minimum during the shuttings, seems to have occurred in July 1854, when Exchequer Bond Scrip was in the market. The Bank minimum rate was then 5½ per cent.; temporary advances were made at 5 per cent., and advances were made on Exchequer Bond Scrip at 4 per cent. I believe that was an especial arrangement at the time which had not much reference to the state of the money market. The term of those advances varied from 14 to 31 days. During the shutting for the dividends due in January 1856 the allowance of a half per cent. on advances on stock, &c. was withdrawn, and no such advances have since been made at a rate below the Bank minimum. On the 8th of January 1856, the demand for advances chiefly on Turkish scrip and bonds continuing beyond the payment of the dividends, the term was contracted to 14 days. During the shutting for the April dividends this restriction was removed. After the April payment the general term was 14 days; but there does not appear to have been any restriction to that period. After the October payment, the term was contracted to seven days; and on the 16th of October the Bank refused to advance on any Government securities except Exchequer bills. About the 11th of November the Bank declined to re-discount bills having more than 30 days to run; that is, bills which had been advanced upon by brokers. During the shutting for January, the usual course was resumed, without restriction as to stock or term. On the 9th of January 1857 the rate for advances on Government stocks and Exchequer bills was raised to 6½ per cent., the rate on bills of exchange remaining at 6 per cent; and this restriction remained in force till the present shutting. It is now 6 per cent. In addition to those restrictions, I may state that the governors have placed certain restrictions upon the business conducted through the discount brokers. In their business with them, when it suited the convenience of the Bank to have only

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short bills, they have limited their advances to the discount brokers to 30 days, or have insisted upon their bringing in bills not having more than 30 days to run; the object being to obtain such a command of resources constantly returning to the Bank reserve as should keep the Bank safe in that respect.

35. In short, looking exclusively as bankers to the state of your own reserve, you have, during a period when a combination of causes occasioned a continuous drain of bullion, conducted your affairs with satisfaction to yourselves?—I think the result has been satisfactory. In no case has our reserve declined below three millions; and on the whole I think there has been no anxiety in the public mind with regard to the state of our reserve.

36. Has the period in question been a period of active trade, both as regarded imports and exports?—Since the peace, undoubtedly a very active trade.

37. Looking, then, to the experience which you have had, the result of which you have explained to the Committee, have you any observations to make or any alterations to suggest in the law, with a view to a better regulation of the currency?—No; I have none to suggest.

38. Looking at that part of your circulation which is from time to time in the hands of the public, as distinguished from that which constitutes your own reserve, we observe that it fluctuates at different periods of the year?—Those fluctuations are quarterly. They amount to about two millions and a half in notes on the average.

39. Will you state what are the principal causes of those periodical variations?—The principal cause is the payment of the dividends. A certain proportion of those dividends go into the hands of bankers, and are again immediately made available for commercial purposes, and re-enter again into the deposits of the Bank or pay off the loans made by the Bank previously to the dividends.

40. What is the period during which your reserve undergoes diminution, dating from the commencement of that diminution to the time at which it recovers?—The lowest state of the reserve in the quarter is about three weeks after the payment of the dividends. From that period it recovers until within about a fortnight of the payment of the dividends. Within about a fortnight of the payment of the dividends there is always an increase of the active circulation. The cause of that I am not exactly prepared to say; but I think it must depend partly upon the payment of salaries and various other things by which the dividends are to some extent forestalled. But we remark that invariably the active circulation goes up during the last fortnight of the quarter and continues to rise for about a fortnight or three weeks after the payment of the dividends. It then begins to decline, and goes down rapidly until about a fortnight again before the payment of the dividends.

41. That is a quarterly variation. Is there any period of the year at which there is a variation in excess of that ordinary quarterly variation?—We generally consider that the circulation of notes is highest in the autumn after harvest; but there is no such material variation observable in the notes as to enable us to say that it is invariable.

42. Is there not a demand upon you at that period of the year, for Scotland and Ireland?—There is a demand for coin, but not for notes.

43. That coin being intended to sustain the increased local circulation in Scotland and Ireland?—Precisely so.

44. Is there not a corresponding demand in the same period of the year for an increased circulation in England and Wales?—Yes, we think there is, but we cannot trace that so well as we can the Scotch and Irish demand. The reason why we can trace the Scotch and Irish demand better than the English demand is this, that by the law of 1845, by which the Scotch and Irish banks were regulated, those banks are bound to deposit a certain amount of coin in specified places for any amount of notes issued by them beyond the amount authorised under those Acts.

45. That is to say, if there be a demand for increased circulation of small amounts for retail transactions, it will be transacted in England and Wales by an increase of the metallic currency, but in Scotland and Ireland by an increase of small notes, which must be increased by the demand upon you for bullion under the present law?—That is the operation of it.

46. You said a short time ago, that you estimated the increase in the circulation of gold in this country, at 30 per cent. in the last six years. Has there been

been during the last few years an increase in the smaller kind of notes; namely, those of 5*l.* and 10*l.*, and also an increase in the quantity of silver and copper?—There has been an increase of the 5*l.* and 10*l.* notes. The increase of the circulation of 5*l.* and 10*l.* notes dates from 1852, or indeed, 1848 in reality, but the great increase is from 1851. The 5*l.* and 10*l.* notes were then 9,362,000*l.*, and in 1856, they were 10,680,000*l.*

47. The amount which you have just given is the total of 5*l.* and 10*l.* notes. Do you happen to be able to distinguish between 5*l.* and 10*l.* notes?—The proportion of 5*l.* notes to 10*l.* notes is about six millions of fives to four millions of tens.

48. We notice that from the year 1851 there appears to have been a considerable increase in the whole of the smaller circulation; in the 10*l.* notes, in the 5*l.* notes, in the sovereigns, in the silver, and in the copper; and we are desirous of ascertaining, as nearly as we can, how far the increase operates in each of those divisions?—I shall be able to lay before the Committee an account of the increase of silver coin and also of copper. The increase in the 5*l.* and 10*l.* notes taken together is before the Committee, and I can, if necessary, take out now the increase of 5*l.* notes and of 10*l.*

49. Will you have the goodness to state both?—I will take the yearly average. The yearly average in 1856 of 5*l.* notes was 6,603,000*l.* in fives to 4,077,000*l.* in tens. The yearly average in 1855 of 5*l.* notes was 6,570,000*l.*, and of tens 4,058,000*l.* The yearly average of 1854 was 6,496,000*l.* of 5*l.* notes, and 4,069,000*l.* of 10*l.* notes. In 1853 the 5*l.* notes were 6,490,000*l.*, and the 10*l.* notes 4,209,000*l.* In 1852 the 5*l.* notes were 5,898,000*l.*, and the 10*l.* notes 3,941,000*l.* I must state, however, that this applies both to the London and country notes. The country notes are not distinguished here, nor can we distinguish the country notes very regularly. I am afraid we cannot distinguish the fives and the tens of the country circulation.

50. I suppose that, either now or after consulting the proper officers at the Bank, you will be able to give us a pretty decided opinion as to whether the relative increase of 10*l.* and 5*l.* notes in the country corresponds with the relative increase in London?—We will try; I am not quite sure about it.

51. Passing away from 10*l.* and 5*l.* notes, will you now turn to the estimate which you gave us of the increase of the gold circulation. What are the data upon which you found your estimate that the gold circulation has increased 30 per cent. in six years?—The data of course are not very accurate. We find that our payments and receipts of gold coin through the branches in the manufacturing districts have increased about 30 per cent; and the opinion of our agents, on inquiry amongst the manufacturers in their districts, is to that effect. The manufacturers have stated to our agents that the practice is now to pay wages in gold, whereas formerly it was very much the practice to pay a note to half a dozen men, which again was exchanged at a retail shop. In point of fact, it went probably to the payment of small debts contracted already probably at those shops.

52. To what do you attribute the simultaneous increase of the 5*l.* note and the sovereign?—I attribute it to the same cause, the increased wealth of the community; to the higher rate of wages that has been paid, which causes a greater demand for sovereigns and an increase in the small notes, and to the greater amount of property held by a class probably above the labouring class.

53. Do you attribute it to the effect produced upon prices by the influx of bullion?—I am doubtful whether there is any connexion between the prices and this result.—(Mr. *Neave.*) There is one cause which has not been mentioned, which is the increase of the manufacturing population, shown by the greater quantity of exports and the greater activity of manufactures, which of itself will absorb a greater quantity of gold in the payment of wages.

54. (To Mr. *Weguelin.*) Will you pursue the statement you were making to the Committee with regard to the increase in the circulation of the several kinds of the precious metals?—(Mr. *Weguelin.*) I have not, at present, the statement which I propose to put in with regard to the increase of silver. That is in preparation, and I hope to have it shortly. There has been a great increase in the coinage of silver, no doubt caused by the same demand that has caused the increased demand for gold circulation. Silver coin has also been drawn upon to some extent to supply the colonies. The Mauritius, Australia, and other colonies, have been supplied with silver coin, to some extent, from this country.

 55. Although

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55. Although it may not be possible to give an exact statement of the increase in each kind, is there, in each of the several branches of circulation of which you have spoken, namely, in 10 *l.* notes, in 5 *l.* notes, in gold, in silver, and in copper, an indication of considerable increase?—No doubt.

56. And the approximate figures of all of them you will be kind enough to put in in a future period of this examination?—Yes.

57. In the conduct of the Bank do you regard it as important to distinguish between domestic circumstances affecting the active circulation and the reserve on the one side, and demands for the exportation of bullion on the other?—It materially affected the question with regard to the measures that were necessary to pursue, whether the demands upon the reserves of the Bank were for the purposes of internal circulation, or whether they were for the purposes of export of the precious metals.

58. You had in the last autumn a sudden demand from the Tipperary Bank?—To the extent of half a million of sovereigns.

59. Where you have such a drain as that for any object at home, do you distinguish it, with a view to the course which you should take, altogether from a demand for bullion for export?—Not altogether. We conceive that it is not advisable to neglect even an internal demand for circulation with regard to the precautionary measures we may be inclined to take. But there is no doubt that it has, on the balance of considerations, less effect upon the conduct of the Bank when the demand is for internal circulation than when it is for export.

60. That is, when it is for internal circulation, you rely upon its speedily finding its way back again?—Yes.

61. In a former part of your examination, after speaking of the exports of bullion, you said that you saw no reason derived from those considerations for suggesting any alteration in the law. Do you see any reason connected with the state of the internal circulation for suggesting any alteration of the law?—Not sufficient to require any alteration. No doubt the public occasionally draw wrong inferences from the state of our reserve, and not being quite aware of the causes which have produced a diminution of our reserve, they are apt perhaps to consider that it is drawn down by a demand for export, and that it will not be returned again to the reserve. Whereas the Directors of the Bank are aware that there is that oscillation in the internal and active circulation of the country, that though it decreases at one particular period of the quarter it returns at another period, and the reserve is strengthened in the same proportion.

62. Is it not likely that with perfect publicity the public will gradually acquire increased experience as to the true effect of the Bank operations?—I think so.

63. Supposing that in 1847, in the month of October, the Bank accounts and the various effects of regular domestic causes and of the export of bullion had been as correctly understood by the public as they are now, do you think that the same amount of panic would have occurred?—I think not. If the Committee will allow me I will explain why: The lowest amount of reserve in that quarter of 1847, and consequently the highest amount of active circulation with the public, corresponded exactly with the period at which you might expect the lowest amount of reserve and the highest active circulation in that quarter; consequently if the public had been aware that it was nothing more than a mere normal action of the reserve and the active circulation, they would have concluded that from that period the active circulation would begin to decline, to the benefit of course of the reserve of notes at the Bank.

64. Will you trace the correspondence between the dimunition of the reserve, from the beginning of October to the third week in October, in the two years of 1847 and 1856?—On the 2d of October 1847, the notes with the public were 18,712,000 *l.*; on the 9th of October, just previously to the payment of the dividends, they were 18,640,000 *l.* On the 16th of October, after the payment of the dividends, they were 19,360,000 *l.*; on the 23d of October they were 20,318,000 *l.*, and on the 30th of October they were 20,833,000 *l*; that was the highest amount. From that period they declined, as is always usual at that time; the following week they were 20,396,000 *l.* The next week 20,051,000 *l.*; and then they go down to 19,300,000 *l.*, 18,900,000 *l.*, and so on. The lowest amount in 1856 was two weeks before. It was 19,789,000 *l.* on the 20th of September. It then rose on the 27th of September to 20,224,000 *l.* On the 4th of October it rose to 20,926,000 *l.* On the 11th of October it was 20,543,000*l.*; and on the 18th of October, after payment of the dividends, it rose

to

to 21,155,000 *l.* It then began to decline to 20,473,000 *l.*; on the 1st of November it was 20,536,000 *l.*; on the 8th of November 20,239,000 *l* ; on the 15th of November 19,929,000 *l.*; and so there is a gradual diminution, till it reaches 18,500,000 *l.*

65. There is then a correspondence between the two years in the amount drawn out at that particular period, which is due to what you have spoken of as the periodical variation of the circulation at that time of the year?—Yes, an exact correspondence. In point of fact the notes with the public in 1856 rose to a higher amount than they did in 1847 at the same period.

66. Although therefore a portion of the draught upon your reserve in 1847 was due probably to the panic which then prevailed, yet the larger part of it was due to a cause which regularly occurs in the course of a year?—I am not able to trace from the accounts that any portion of the demand upon our reserve in 1847 was due to the panic that then prevailed. The amount of notes held by the public at that period was by no means excessive as compared with other years. The Committee must understand that of course the whole circulation of the Bank consists of the notes with the public and the notes in reserve, consequently that the reserve is affected exactly to the same amount as the notes with the public inversely.

67. Will you be so kind as to state what was the amount of the reserve in each of those weeks in the years 1847 and 1856?—I will include of course the coin held by the Banking department. I believe we began in 1847 on the 2nd of October. On the 2nd of October 1847 the reserve in bank notes and coin in the banking department was 3,852,000 *l.*; on the 9th of October, it was 3,768,000 *l.*; on the 16th of October, it was 3,071,000 *l.*; on the 23d of October, it was 1,194,000 *l.*; on the 30th of October, it was 1,606,000 *l.*; on the 6th of November, it was 2,333,000 *l.*; on the 13th of November, it was 3,207,000 *l.*; on the 20th of November, it was 4,719,000 *l.*; and so on increasing. In 1856, on the 20th of September, the reserve was 6,818,000 *l.*; on the 27th of September, 6,020,000 *l.*; on the 4th of October, 4,333,000 *l.*; on the 11th of October, 4,072,000 *l.*; on the 18th of October, 3,080,000 *l.*; on the 25th of October, 3,639,000 *l.*; on the 1st of November, 3,534,000 *l.*; on the 8th of November, 3,765,000 *l.*; on the 15th of November, 4,229,000 *l.*; and so on increasing.

68. Mr. *Gladstone.*] Can you state on what day the payment of the dividends actually commenced?—On referring to the book, I see that the dividends were not actually paid in October 1856, till Tuesday the 14th.

69. *Chairman.*] Then at the period when the commercial distress was the severest in 1847, take for instance, the period when the celebrated Letter was issued, the reserve had sustained its maximum diminution from a regular cause periodically occurring?—Exactly so.

70. And it might then naturally have been expected rapidly to increase?—Yes.

71. At that period the exchanges had turned, and were favourable to this country?—Yes, they were so.

72. The bullion stood at nearly 9,000,000 *l.*?—The bullion stood at 8,300,000 *l.*

73. Assuming that the Act of 1844 had not passed, and that your discretion had extended to the management of the circulation as well as to the duty of providing as bankers for your deposits, would it, in your opinion, have been discreet to reduce the bullion to a lower amount?—Taking the circulation at 20,800,000 *l.*, and the deposits at 13,600,000 *l.*, forming a total amount of liabilities of 34,400,000 *l.*, the amount of bullion on the 23d of October of 8,300,000 *l.*, or not quite one-fourth, cannot be said to be beyond what would be a fair proportion to maintain.

74. If you had been left unfettered by the law to exercise proper prudence as bankers, you would have thought it proper to maintain that amount of bullion at least?—Certainly.

75. Are you of opinion that, if in October 1847, the public had understood as well as they do now the periodical variations of the currency from internal causes, a very different impression would probably have prevailed with regard to that diminution of the reserve?—I think it is very likely, but you cannot exactly compare one period with another. At that period, in 1847, there had been so much distrust, such great failures had occurred, that no doubt the minds of the

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public were very much excited, and they could not look upon a decline of the reserve at the Bank of England, the cause of which they were not thoroughly acquainted with, with that equanimity with which probably they would regard it under a different state of things.

76. But being in that excited state, if they had known that upwards of two millions of that diminution was due to a cause of periodical occurrence, that would have been calculated to diminish their apprehensions?—Certainly.

77. Then, looking at the whole history of the Bank of England, from your experience of it, including the year 1847, do you see any reason for suggesting any alteration of the law?—No, I do not.

78. It has been suggested that the separation of the Issue Department from the Banking Department should be made more complete, and that the Issue Department should be placed either under the Executive Government or under public Commissioners. Is it your opinion that that would be an expedient change?—I think it would be inexpedient, for various reasons. One is, that it would cause probably a great pressure upon the Government; upon the Commissioners in the first instance, and then upon the Government, in times of scarcity of money, to enlarge the issue made upon securities. The Government, therefore, would have to bear all the odium and all the unpopularity of not increasing the issues when trade was suffering, which now happily the Bank of England has to bear.

79. Either, therefore, a weak government would yield, or, if a strong government resisted, it would incur a great amount of unpopularity?—I think that would be the effect.

80. Which, in your opinion, might give rise to political excitement?—I think it is very likely.

81. Which again might operate upon the circulation?—It would have the effect, I think, of forcing the Government to relax the measures which have been prescribed by Parliament; and my own opinion is, that if the Government were, under those circumstances, to relax those measures, Parliament would not hesitate to confirm what they had done.

82. The inclination of your opinion then is, that the limit would not be safe if it were vested exclusively in any department of the Government?—I think not so safe as being placed, as it is now, in the hands of the Bank of England.

83. Are there any practical inconveniences which would arise from a local separation between the two departments, by bringing, for instance, to the West End, the Issue Department, and retaining where it now is the Banking Department?—The great practical inconvenience would be, that the notes would not be exchanged so often, the old notes for new notes, as they are now by the Bank of England. The Bank of England, in its banking capacity, has very often payments to the extent of eight, nine, or ten millions in a day; not that the whole of that is performed by notes; but still a very large proportion of its payments is effected by notes; and every note which is brought into the Bank of England is cancelled, and a new one of course is issued upon the payment.

84. Can you state what is the average number of notes that are now cancelled daily at the Bank?—In round numbers, I should say about 28,000; it goes up to 40,000.

85. In lieu of the cancelled notes, new notes are issued, bearing different numbers?—Yes.

86. Is that a great security against the forgery of a Bank of England note?—We think it is; by reason of the fact that the notes in the hands of the public, generally speaking, are nearly new; and that when a certain number are taken out of the Bank, they are in sequences; consequently there is a certain guarantee to bankers and a great convenience to bankers in counting them, and so on. I think all that forms a security to the public, generally speaking, against forgery; and more particularly it is convenient in tracing the notes against theft. The whole of the notes the Bank issues are numbered and registered, and can be followed at any period through the Bank books.

87. You think that if the issue were separated from the Banking Department, there would be less convenience for the cancelling and re-issuing of notes, and consequently less security against forgery?—Certainly. The only reason, then, for exchanging notes would be to obtain gold for them. It is true that you might effect an exchange of notes by sending up for gold, and then presenting

gold

gold for notes at the Issue Department. But, generally speaking, I think that would not be done.

88. You are dealers in bullion at the Bank of England?—We are.

89. Are there any considerations connected with that circumstance which lead you to think that the public would be inconvenienced by the separation of the two departments?—Of course, in such a case as that, that business would be displaced, the bullion would be presented at the commission, or wherever that Issue Department existed, and notes would be issued upon it.

90. Would a public department, acting under the strict rules of an Act of Parliament, afford to the public all the facilities in respect to the purchase of foreign coin, which you now afford in your combined capacity?—No, I should say, certainly not, unless it undertook the functions of a banker or a bullion dealer.

91. You are of opinion, then, that the separation is now complete for all your purposes as bankers; so that, as you have told us in a former part of your examination, looking exclusively to your reserve, you are able to disregard the currency; but on the other hand, you think that facilities are given to the public in bringing bullion, foreign coin, &c. to the Bank of England, which there would not be if the Issue Department were wholly separated from the Banking Department?—I think so.

92. Are you of opinion that the public being accustomed to the present form of note, would immediately adapt themselves to an altered form of note—say a Mint note, or a Treasury note?—Any alteration in the form of note is undesirable; but I think the public would get accustomed to it in a short space of time. If the Government used for their large payments and receipts another form of note than what is now in circulation, the public would soon accept that as they do a Bank of England note.

93. Upon the whole, are you of opinion that it is desirable to make any change in the law with regard to the department of issue?—I see no object to be gained by it.

94. And you see inconveniences which might result from it?—I do.

95. With regard to the limit of 14,000,000 *l.* which are now issued upon securities, will you be so good as to state to the Committee what you conceive to have been the reason why 14,000,000 *l.* is fixed as the limit rather than any other amount?—The reason, I believe, why 14,000,000 *l.* was fixed by the authors of the Act of 1844 was, that the active circulation had never gone down below that, or even as low as 14,000,000 *l.* I believe the lowest amount of circulation was in 1839, and then it was 15,800,000 *l.* I believe that included bank post bills to the amount of 1,000,000 *l.*, and it also included lost notes to the amount of 600,000 *l.*, which we have subsequently written off. Adding those two together, it made the active circulation, as compared with the present active circulation, a little more than 14,200,000 *l.* Consequently, taking that as the minimum to which the active circulation could be reduced, it was thought that that might be a fair point at which to fix the minimum amount to be issued upon securities.

96. You have told us that, as regards the lower denominations of notes, 5 *l.* and 10 *l.* notes, there has been observed of late a great tendency to increase; does the same observation apply to the whole of your note circulation?—No; there has been, on the contrary, a great tendency to a decrease in the higher denomination of notes, caused by the increased banking facilities given of late years in London.

97. And more especially some recent changes with regard to the clearing house?—Yes. In July 1853 (I quote from Mr. Arbuthnot's pamphlet), the joint stock banks and the private banks paid each other by drafts upon the Bank of England instead of by bank notes. In May 1854 the balances of the clearing house were settled by the transfer of drafts upon the Bank. Joint stock banks were admitted to the clearing house shortly after; and in April 1855, the Customs duties were paid by the transfer of drafts. Since that time 69,000 payments have been made in that way.

98. What has been the effect of those banking facilities upon the total circulation of bank notes?—Little upon the total circulation probably, because the fives and tens have increased in about the same ratio, but the larger denominations of notes have declined. As regards 1852 and 1853 there was a large amount of total circulation. That I think is owing to rather abnormal causes.

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About that time there was a great influx of gold from Australia and California, but I do not suppose that it found its way, generally speaking, into the ordinary channels of circulation, and consequently there was a larger amount of notes held by the public at that time than was wanted in point of fact for the uses of the public. The highest point of active circulation of the Bank notes exactly corresponds with the highest point of the importation of gold from the gold-producing countries.

99. In the higher denominations of notes there has been a considerable diminution?—There has.

100. Will you state the extent of it?—In the 200*l.* to 1,000*l.* notes there has been a perceptible diminution since 1851, which may be taken as the year previous to the great gold importations, and consequently may be looked upon as the normal state of the circulation of that denomination of note. In 1851 the amount of the notes from 200*l.* to 1,000*l.* was 4,557,000*l.*, and in 1855 it was 3,459,000*l.* In 1856 they were 3,323,000*l.* These years, 1853, 1854 and 1855, included those new banking facilities which were arranged at that time.

101. While, therefore, the multiplication of transactions throughout the country and the increase of prices taken together, are causing a greater demand for the lower kinds of circulation, the increased banking facilities are diminishing the demand for the higher class of notes?—That is the conclusion I come to.

102. It would not be true, therefore, to argue that because there is now a greater amount of trade in the country it would necessarily be safe to increase the limit of issue upon securities which formerly was fixed?—No; I think the two points have no relation.

103. Before we pass away from this subject of notes, will you be kind enough to state what has been the effect upon the issue of notes between 10*l.* and 200*l.*—From 20*l.* to 100*l.* in 1851 there were 5,554,000*l.* In 1852, 6,161,000*l.* In 1853, 6,393,000*l.* In 1854, 5,910,000*l.* In 1855, 5,706,000*l.*, and in 1856, 5,645,000*l.* The variation has not been so great in those.

104. Do you consider that if the limit imposed by law of 14,000,000*l.*, were altered, for example, to 16,000,000*l.*, it would in truth add 2,000,000*l.* to the active circulation?—By no means.

105. Will you state what you think the effect really would be?—The effect would be either that those 2,000,000*l.* would be held in the reserve of the Bank, or, in case it occurred that the increase took place at a time when there was an adverse exchange, those 2,000,000*l.* would be exported from the country, and all the other figures would remain precisely the same.

106. You have recently issued the sum of 475,000*l.* under an Order in Council, under the powers of the Act of 1844?—We have.

107. In consequence of the cessation of certain country banks to issue notes?—Yes; being two-thirds of the amount that have lapsed since 1844.

108. If then Parliament were now to alter the limit, say to the extent of 2,000,000*l.*, and were to take the profit of that for the public, the annual profit to the public would simply be the interest of 2,000,000*l.* of money, would it not?—It would be 2,000,000*l.* of capital saved; but in a period of full circulation it would be, no doubt, loss of profit on 2,000,000*l.* to the Bank.

109. It would not add, under any circumstances, to the active circulation of the public?—It would not.

110. You consider that the action would be, that either it would be added to the reserve of the Bank, or that the bullion held by the Bank would be *pro tanto* diminished?—That would be the action.

111. And I presume that already you draw down the bullion in the Bank, at periods of demand for bullion, as low as you consider to be consistent with prudence and discretion?—The effect of issuing 16,000,000*l.* upon securities would be, that if the active circulation goes down as it does now to 18,200,000*l.*, you would be left in the Issue Department with a bullion guarantee for the circulation of only 2,200,000*l.*; that is, independently of the question what reserve of notes issued upon gold the Bank possess. Of course the banking reserve is an independent question; it depends upon the discretion of the Bank in managing its Banking Department.

112. Under the law, would it, in your opinion, be unreasonable to cast upon them the duty of maintaining a higher reserve in consequence of any such consideration?—It could not affect that consideration at all, I think. It only affects the amount of the bullion guarantee which is held against the active circulation.

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It would act in this way; that instead of having 10,000,000 *l.* of bullion, say, now at this moment, with a reserve of 5,000,000 *l.*, we should have a reserve of 5,000,000 *l.* when we had only 8,000,000 *l.* of bullion in the Bank.

113. Is there, in your opinion, any sufficient inducement, on the ground of public interest, to make an extension beyond the present limit of 14,000,000 *l.*?—I see no advantage or particular object to be gained by it.

114. The advantage of saving 2,000,000 *l.* of capital would not, in your opinion, be equal to the mischief that might result from the change?—I think it would be of an insignificant character, and it would diminish the amount of actual reserve of bullion in the country.

115. I observe that in the letter which has been laid before the Committee, you express an opinion adverse to the continuance of the lower denomination of notes in Scotland. What is your opinion, generally, with regard to the lower denominations of the circulation being in paper or in bullion?—I conceive that, as a matter of public policy, it is desirable that the retail transactions of the country should be carried on by coin rather than by paper. I think that the coin in circulation in the country forms a reserve in cases of great demand upon the resources of bullion in the country during times of war, and possibly also in times of failure of crops; and the issue of notes of so small an amount as 1 *l.* or 2 *l.* is attended with very great risk of forgery.

116. Have you any means of stating the total amount of circulation at the present moment in gold and in the other metals?—No; I have no data to go upon.

117. I am aware that you cannot give us an accurate statement, but can you give us anything which may be stated to the Committee as being the estimate which is formed by the Bank of England upon the subject?—The only data we could at all go upon in forming an estimate of the amount of the gold circulation of the country are grounded upon the calling in of the light gold some years ago. It was noticed previously to calling in the light gold, that the amount of light gold tendered at the Bank in proportion to the amount of full weight was about one-third. When the proclamation was issued, that light gold should be tendered at the Bank, we bought altogether, I think, between 11,000,000 *l.* and 12,000,000 *l.* of gold. If you apply the same proportion to that 11,000,000 *l.* or 12,000,000 *l.*, as was observed to apply to the gold tendered to the Bank previously, it would make the total amount of gold coin in circulation from 33,000,000 *l.* to 36,000,000 *l.* But there is this deduction to be made from that, namely, that some light gold was probably very frequently tendered to us over and over again. Still I think that you may on the whole take that as being at that time a fair estimate; and I know of no other means of estimating the amount of the gold coin in circulation. So that the amount of gold coin at that time in circulation was, perhaps, on the average, five or six and thirty millions.

118. In what year was that?—That was within the last twelve or thirteen years.

119. I understand you to say, that for every three sovereigns that came to the Bank it was found that there was one light one?—At that time, previously to the proclamation.

120. And therefore you calculate that the total gold circulation at the time was three times the quantity of light gold that came in, and that would amount to 36,000,000 *l.*?—Yes, the total circulation on that calculation.

121. That would give at the present time an estimated total circulation in gold of how much?—You have to add 30 per cent. to it.

122. You said 30 per cent. since 1851?—The total circulation of coin in the country, I think, did not vary much till the great increase of gold brought to this country from the gold-producing countries; I think it remained very much the same. I am inclined to think that since that period there has been, owing to the increased wealth in the country, and the increased trade of the country, an increase of nearly 30 per cent. in the gold circulation in the country.

123. That would give from 45,000,000 *l.* to 50,000,000 *l.* as being at the present time the estimated gold circulation in the country?—I should say a minimum of 45,000,000 *l.* now.—(Mr. *Neave.*) I might add with regard to the estimate which was made of 35,000,000 *l.* or 36,000,000 *l.*, that I should think that the whole quantity of gold in the country at that time was larger in proportion to the

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the quantity of light gold that came in than was estimated. I am inclined to think that what was estimated at 36,000,000 *l.* was in fact nearer 45,000,000 *l.*

124. Then what conclusion, upon the whole, would you form with regard to the total amount of gold circulation in the kingdom at present?—I am inclined to think that the increase has been hardly so much as 30 per cent. since 1850, but that it was more than we estimated at the earlier period, so that that would bring it to about the same thing.

125. About 50,000,000 *l.* at present?—Yes.

126. With regard to the total amount of silver, can you tell us any thing upon that subject?—(Mr. *Weguelin.*) Unfortunately the account is not yet ready. We have had a large coinage of silver of late years. But it is necessary to endeavour to search out the amount of coin which has been exported to the colonies.

127. But you will be able to tell us the amount of silver by some approximate estimate?—Yes, I think so.

128. And copper?—We have not attended to copper, but we can procure it from the Mint, that is, simply the amount which has been coined during the time.

129. With regard to the smaller denominations of money when issued in paper, is there any greater risk of forgery than in the larger denominations?—The experience of the Bank of England when their circulation of 1 *l.* and 2 *l.* notes was very large during the former war, is certainly in favour of the idea that there is much greater risk of forgery in the smaller denominations of notes than there is in the larger. They pass amongst a different class—not so intelligent a class—a class that is not able to distinguish.

130. And there is more difficulty in following them; the transition is more rapid?—Yes; they pass quickly through different hands, and they probably are not returned to the bankers so quickly. Practically speaking, the moment a note gets into the hands of a banker, it is then sent in to the Bank of England, and a new one is issued; whereas 1 *l.* and 2 *l.* notes, which are used for retail transactions, would not be tendered to bankers to the same extent as the higher denominations.

131. Supposing forged notes get into circulation, and it becomes known, is there a tendency to panic amongst the lower class of the community?—I have no instance at present in my recollection of panic occurring from such a cause; the panic, as connected with the notes of country banks, was much affected, I think, by the question, whether they could be paid at all when presented.

132. Depending upon the credit of the banker rather than upon the genuineness of the note?—Yes.

133. Have you any alteration to suggest which, in your opinion, it would be desirable to make in the law with regard to the regulation of English country banks of issue?—No, I have no alteration to suggest; there have been instances of failure of late years; and it may be for Parliament to consider whether country banks should be called upon to give security for their issues as the Bank of England does.

134. Will you state the duties which you discharge as bankers to the Government; first, you conduct the circulation?—We conduct the circulation.

135. Then, secondly, you manage the public debt?—Yes.

136. And, thirdly, you receive the deposits of the Government; you aid in the collection of the revenue; you make payments for the Government as bankers, and, when the Government require them, you make them advances?—Yes.

137. Will you state what is the arrangement between you and the Government with regard to your profits under those three several heads?—The profits on the Issue Department arise from the issue of 14,000,000*l.*, less the charges.

138. The debt is 11,015,000 *l.*?—Yes. That is a portion of the security for the issue.

139. Will you be kind enough to go through the items on the two sides of the account. You have lent the Government, without interest, 11,015,000 *l.*, and you have the profit of the issue of 14,000,000*l.* Will you state the two sides of the account, so that the Committee may see what is the payment made to the Bank of England for conducting the issues?—The amount of issues upon securities being 14,000,000 *l.*, if you take it in round numbers as yielding an interest of 3 per cent., it gives 420,000 *l.* Against that you must set off 120,000 *l.*, which is paid to the Government, and 60,000 *l.*, as the commutation of Stamp Duty previously paid. The expenses are about 160,000 *l.*, and the sum paid back to the public 180,000 *l.*

140. Leaving

140. Leaving a total profit of how much?—About 80,000 *l.*, exclusive of the profit upon bullion and foreign coin, which varies from 20,000 *l.* to 40,000 *l.* in a year. The net result, therefore, may be taken as varying between 80,000 *l.* and 120,000 *l.* a year.

141. Then, for the management of the debt what do you receive?—For the management of the debt we receive under the Acts of Parliament 450 *l.* per million up to 600,000,000 *l.*, and beyond that amount 300 *l.* per million. The total amount of that is in round numbers about 247,000 *l.* Against that, there are charges to be set, amounting to 124,000 *l.* In round numbers there is about 124,000 *l.* profit to the Bank upon the management of the public debt. The two items of the circulation and the profit to the Bank of the management of the debt amount to about from 200,000 *l.* to 220,000 *l.*

142. Mr. *Beckett.*] Do you include in that the profit upon foreign coin?—Yes; including that, there is 120,000 *l.* profit upon the debt, and about 80,000 *l.* to 120,000 *l.* upon the issue, making 200,000 *l.* to 240,000 *l.*

143. *Chairman.*] Will you proceed to state what are the duties that you discharge in your ordinary capacity as bankers to the Government?—We discharge strictly the function of bankers to the Government as a private banker does to his customer. We receive money and make payments, and have a certain balance upon those accounts, which is considered the remuneration of the Bank for keeping those accounts.

144. You also aid in the collection of the revenue?—We also aid in the collection of the revenue through our branches, and by sending clerks round to receive the money from collectors.

145. On quarter day, when the time arrives for making up the Audit Roll for the payment of the dividends, what is the course pursued?—At present the practice varies from what it used to be, and what we considered to be the practice as established by law. Upon that point there was a difference of opinion between the Bank and the Chancellor of the Exchequer of that period; and the practice has been since then altered. The original practice was, that the whole amount of dividends due by the Government to the public should be paid over to the chief cashier of the Bank on the day they fell due. They were then transferred to an account called "The Audit Roll;" and in the view of the Bank, that amount so paid over for the public creditor passed from the hands of the Government, and became the deposit of the public creditor. The dividends are not immediately paid on the first day. The bankers take, generally speaking, about 4,000,000 *l.* of the dividends on the first day or two, and the public creditor takes the remaining 2,000,000 *l.* in the course of the next few weeks. In consequence of the alteration which has been made, the Government now issues only such an amount of money to the chief cashier of the Bank, as, in their opinion, will meet the demands of the public creditor; and they supply the Audit Roll from day to day with the amount which they consider sufficient. We have always at the Bank of England considered that that course is contrary to the provision of the Loan Acts, and we are still of the same opinion; and we think it very advisable now that the practice should be settled by Act of Parliament.

146. What is the sum which on quarter-day requires to be set apart for the payment of the whole dividend?—I think the dividends now each quarter amount to about 5,800,000 *l.*; they vary a little, but I think it is about that. I think what is issued to us on the Audit Roll does not amount to more than 5,800,000 *l.* in one quarter.

147. Mr. *Gladstone.*] There are the annuities in addition?—Yes; we do not pay those. I find here in October the amount issued to the Audit Roll was 5,300,000 *l.*; there was 430,000 *l.* short issued; that would make it about 5,800,000 *l.* Then in July there was 3,700,000 *l.* issued for the Audit Roll, and the deficient issue was 2,100,000 *l.*; making together 5,800,000 *l.*

148. *Chairman.*] Will you explain the meaning of "deficient issue"?—It means all that would have been required if everybody had come the first day.

149. How much is commonly paid on the first day of payment of the dividends?—The bankers generally take about 3,800,000 *l.*

150. Then there is about 2,000,000 *l.*, the period of demand for which extends over a short time?—That is so.

151. And that amount, according to the present arrangement, is supplied to the Bank from day to day from the Exchequer account, as it is wanted?—Yes.

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152. The Exchequer account upon the average of quarters, I suppose, has not a balance equal to the 5,000,000*l.* paid?—No, of late years it has not had.

153. If therefore the whole amount were to be provided on the first day, it would be necessary for the public to pay interest upon the advance of a portion of it?—Yes, it would be necessary to pay interest upon it.

154. In short, what you term "deficient issue," is a sum which would have borne interest under the old arrangement, and which bears no interest under the present arrangement?—That is so.

155. How many other accounts do the Bank of England keep on behalf of the public besides the Exchequer account?—We have a large number; I think they amount to upwards of 40. I have a list of them here, which I will hand in.

[*The same was delivered in, and is as follows:*]

GOVERNMENT ACCOUNTS:

Commissioners for the Reduction of the National Debt.
Ditto - - - Redemption of the Land Tax.
Ditto - - - and Sundry Receivers-general.
Ditto - - - Unclaimed Dividend Account.
Ditto - - - the Fund for the Banks for Savings.
Ditto - - - Friendly Societies.
Ditto - - - - - ditto - "Act 13 & 14 Vict. c. 115."
Ditto - - - for granting Life Annuities.
Ditto - - - - ditto - Annuities for Terms of Years.
Ditto - - - the Fund for purchasing Life Annuities, on account of Savings Banks.
Ditto - - - the Fund for purchasing Annuities for Terms of Years, on account of Savings Banks.
Ditto - - - the Account of the Security Fund of the India Company.
Ditto - - - on account of the Public Works Loan Fund.
Ditto - - - - ditto - - - ditto - - - Ireland.
Ditto - - - the Fund for the Military Savings Banks.
Ditto - - - for Life and other Annuities, Warrant Account.

Commissioners of Her Majesty's Treasury, on account of the Antigua, St. Kitts, Nevis, Dominica, and Montserrat Relief Fund.
Ditto - - ditto - - - Interest at 3½*l.* per cent. per annum on Exchequer Bonds, per Act 17 Vict. c. 23, and 18 & 19 Vict. c. 130.
The Account of Monies received by way of Interest at the time of transferring Instalments of Stock for the Redemption of Land Tax.
Inland Revenue, Receipt Account.
The Inclosure Commissioners for England and Wales.
Ditto - - ditto - - - Portland Harbour Account.

Matthew Marshall and Joseph Ravenscroft Elsey, Attorneys for acceptance, and dividends to, an Account of the Sale of the Land Tax, in account with the Commissioners for the Reduction of the National Debt.

Her Majesty's Paymaster-general.
Ditto - - ditto - - - Bill Account.
Ditto - - ditto - - - Drawing Account.
Ditto - - ditto - - - Patriotic Fund Account.

The Account of the Public Monies of the Receiver-General of Customs.
Ditto - - - ditto - - - Her Majesty's Postmaster-General.
Ditto - - - ditto - - - the Receiver-General of Inland Revenue, Excise.
Ditto - - - ditto - - - Stamps and Taxes.
Ditto - - - ditto - - - the Produce of Postage Stamps.
Ditto - - - ditto - - - Money arising from the Duties on Profits from Property, Professions, Trades, and Offices.

The Receiver-general of Inland Revenue, Drainage, Advances and Repayments Account.
Ditto - - - ditto - - - - Bankruptcy Stamp Account.
Ditto - - - ditto - - - - Chancery Stamp Account.
Ditto - - - ditto - - - - Admiralty Stamp Account.

Sale of the Land Tax, in account with the Commissioners for the Reduction of the National Debt.

The Tobago Relief and British Guiana and Trinidad Immigration Loan Fund Account.

156. Are there not two classes of accounts kept by the Bank, one class which are admitted to be public accounts, amounting to between 600,000*l.* and 700,000*l.*,

700,000 *l.*, and another class of a mixed character, amounting to between 400,000 *l.* and 500,000*l.*?—Yes; there are a variety of accounts opened by orders of the Treasury and other Government offices which are dealing with public monies, and therefore may be classed as public accounts, yet they bear a different character to some extent: they are often in the names of individuals: it is not very easy for the Bank to distinguish whether they are public or whether they are private accounts.

157. The profit to the Bank, through its relation to the Government, consists of those three heads which we have enumerated: the profit on the management of the circulation, the profit on the management of the public debt, and the advantage which the Bank derives from the employment of the public balances in its capacity of bankers to the Government?—There is no doubt that the profit, as stated in the first two of those heads, may be fairly estimated; but as to the profit which the Bank derives from the employment of the public deposits, that is a matter which requires some consideration before I can answer it; it varies entirely according to the circumstances of particular periods. The profit on the public balances in periods of scarcity of money no doubt is of some importance; but the profit on the public balances during an abundance of capital has been for many years, I may say, next to nothing.

158. On an average of years I suppose it will happen that the exchequer is full in prosperous years, and that the public balances are low in adverse years, when the rate of interest is high?—Yes, it has happened so.

159. Have you any opinion, generally speaking, as to the relations which, in your opinion, ought to subsist between the Government and the Bank?—My opinion with regard to the relative position of the Bank to the Government is, that it ought to be that of a private banker to his customer to some extent. We, at the Bank of England, have always considered that the proper functions of a banker were to keep the spare cash of his customer, such cash as his customer required for his daily expenditure, for the sudden demands of his business, and any accidental accumulation which might happen before the customer had occasion to invest it. That is contrasted with the system pursued by the joint stock banks. The joint stock bank invites a large deposit by offering a certain rate of interest for the deposit; in point of fact, the joint stock bank becomes the investor of the money, instead of the customer. The customer of a joint stock bank does not himself invest his own money, but he employs the joint stock bank to do it, taking the guarantee of the joint stock bank, and taking, possibly, a lower rate of interest. Now that system, if applied to the Bank of England, would be, I think, very prejudicial to the public interests. It would, in the first place, force upon the Bank of England to invest its reserves much more closely than it does now. If it had to pay interest upon its deposits, it could only do so by investing them in some securities that would pay a higher rate of interest than that which it pays. Its deposits also are of that particular character which would render it still more inexpedient that they should be closely invested. They consist, in the first place, of Government deposits which rise from a low state at one period of a quarter up to five or six millions higher at another period of a quarter, and again collapse to a very low rate at another period. Again, the private deposits consist, to a certain extent, of the deposits of the bankers and the joint stock banks of London. Those deposits are the amounts which those bankers require to work their own business. Consequently, they are not deposits which should be very closely invested by the Bank of England. In times when there is a great accumulation of deposits in the Bank of England, it is because the public are not able at those times to find investments to their mind to employ those deposits; and consequently, it is not at all likely that the Bank of England, if that is the case with the public generally, will be able to find investments which the public themselves have not been able to do. All these reasons combined would lead me to think that to force a system upon the Bank of England by which it should be obliged to employ its deposits very closely—much more closely than it does at present—would be not only prejudicial and unsafe as regards the Bank of England, but would be prejudicial to the public interest.

160. In short, you look at the deposits in the Bank of England as the last resort of the country in times of pressure, and you consider that anything which created very high competition or dealings of a speculative character, on the part of the Bank, would be attended with risk to the public interests?—I think so.

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161. You think, therefore, that the arrangement between the Government and the Bank should be of that liberal character which may justify the country in looking to the Bank of England to abstain from speculative and competitive modes of remuneration?—I think that is the proper position of the Bank of England, and that it would very much lessen its usefulness as the National Bank; as the Bank, in point of fact, which forms the pivot of the whole banking system of the country, if you were to alter its character in that respect.

162. (To Mr. *Neave*.) Do you agree generally in the evidence which has been given by the Governor of the Bank?—Entirely.

163. Are there any other observations which have not been led to by the questions that have been put to him, which you are desirous of making to the Committee?—I am not aware of any.

164. Mr. *Wilkinson*.] (To Mr. *Weguelin*.) With regard to the division of the two systems, the issue and the banking departments, I understood you to say that the two are practically entirely distinct; are they likewise legally distinct?—Quite so.

165. Am I to infer from that, that to go back, for example, to 1847, at the period when there was only 1,100,000 *l*. reserve of notes, and 8,000,000 *l*. of bullion in the Bank, supposing for a moment the possibility of the Bank having been driven so close as to stop payment, on such an occasion it would not have had any right to take any portion of the 8,000,000 *l*. of gold legally?—Certainly not legally; no right whatever.

166. Mr. *Chancellor of the Exchequer*.] Upon the subject of the state of the law respecting the English country banks, you are aware that at present the paper circulation of the English country banks is limited to existing banks, and also to a certain average amount fixed for each bank?—Yes.

167. The policy of the law appears to point to a gradual extinction of the English country banks of issue, does it not?—I believe that was the view of Sir Robert Peel. I infer that, not only from conversations which I have had with Mr. Cotton, who negociated the Act of 1844 with the Government at that time, but also from the circumstance that the composition paid by the Bank of England to such bankers as abandoned their issue for the purpose of using Bank of England notes, was to terminate at the tenth year after the passing of that Act. It terminated, I think, in 1856, and it seemed to be an inequitable arrangement altogether, that those bankers who complied apparently with the wish of the Government should have been at a disadvantage as compared with those issuing bankers who declined to abandon their circulation. From that I infer that the Government of the day expected that the whole, or at least a great portion, of the issues of the country bankers would have been in that interval absorbed by the Bank of England circulation.

168. That power of composition was continued indefinitely by the Act of Parliament passed in the last Session?—It was.

169. Therefore, as the law stands at present, there is nothing which would bring the country bankers' issue to a termination, except a voluntary abandonment of it by the existing bankers?—Nothing but that.

170. Is it your opinion that it would be expedient for the Legislature to take measures to extinguish the English country bank circulation by positive enactment?—I do not think that the advantages would be so great as to call for a measure of that kind. If you could insure the security of the present issue of country bankers, I think that would be, probably, the better course, certainly the more popular course to take, than to extinguish the whole of their issues. My opinion is that it would not be possible, or at least that it would not be likely, that you would substitute in all cases the same amount of circulation with Bank of England notes, or Government notes for the amount of country circulation which would be annihilated by such a measure as that. At present the country bankers have a certain amount of business of their own, which enables them to issue and to keep out a certain amount of notes. But it is doubtful to me, unless you were to establish branches all over the kingdom, whether the Bank of England would be able to keep out issues to the same extent as those which now are kept out by the country bankers. Probably there might be a greater amount of gold over the country, but I doubt very much whether the same amount of notes would be kept out if those local issues of notes were annihilated.

171. Have not those local issues now, arising from a great variety of circumstances

stances in England, the effect of giving accommodation to different branches of agriculture, trade, and industry?—That is my opinion.

172. Do you think it would be possible, without multiplying branches of the Bank of England to an inconvenient extent, to give equal facilities combined with security?—I think the advances and accommodation given would then depend more upon the capital of the bankers which would be represented by Bank of England notes or by coin, and of course would be applicable to this accommodation, with the sole deduction to be made of the 8,000,000*l.* now represented by the circulation; that would be the whole difference.

173. Does not the law as it at present stands, assuming that the country bank issues are not extinguished, give a practical monopoly to the existing banks, and discourage the establishment of new banks, inasmuch as they would not have the power of issue?—It so far gives an advantage to those banks who now issue notes that they have that profit upon their issue, which a new bank established in the same neighbourhood would not have; and which would, therefore, to that extent be under a disadvantage.

174. Assuming that the policy of extinguishing the country bank issues is not acted upon, would you think it desirable to allow existing country banks, or new country banks to be hereafter established, to issue paper against either securities or bullion under certain legal regulations, without reference to the limits fixed by the existing Act?—I should be very loth to encourage the idea that it would be desirable that country banks should be allowed to increase their issue beyond the present authorised amount upon securities. I should have no objection to their issuing upon bullion, but that would be a very difficult measure to carry practically into effect. The effect of country banks being allowed to increase their present amount of circulation upon securities would be tantamount to allowing the Bank of England to issue more than its present rate of 14,000,000*l.* upon securities.

175. Would it be possible to put the country banks of England in the same position as the Banks of Ireland and Scotland, that is to say, to give them the power of issuing any addition to their fixed legal limit against bullion?—It would be very difficult to carry that practically into effect. The Banks of Scotland and Ireland have practically a monopoly as far as their authorised issues are concerned, and then any excess that they issue must be against gold coin deposited in certain specified places; that is of very little advantage; indeed, it is some disadvantage to them, for they have to draw their supplies of gold coin from London, but no doubt it has this advantage in their eyes, that it does not force them to use a concurrent circulation with their own. It does not force them to use Bank of England notes, which would be introducing a Bank of England circulation into a district where their notes at present alone circulate.

176. A Bank of England note is a legal tender only in England, and not in Ireland or Scotland, is not it?—Only in England.

177. If the law were altered in that respect, and a Bank of England note were made a legal tender in Ireland and Scotland, would not the effect be, that instead of keeping a reserve of bullion, the banks in Ireland and Scotland would keep a reserve of Bank of England notes?—I think the same reasoning would apply there, that they would prefer issuing their own notes upon bullion, rather than supplying the public with the required excess of circulation beyond their authorised amount in Bank of England notes. It is a kind of advertisement to them, and on that account they would rather maintain a large circulation of their own notes, than to introduce a concurrent circulation in their district.

178. To return to the English country banks; does it not appear to you, that unless the policy of the law is to aim, as speedily as possible, at the extinction of the English country bank note circulation, the law and practice with regard to those banks at present is in an anomalous state?—Theoretically it is anomalous, no doubt.

179. Do you believe that practically no great inconvenience arises from the state of the law?—The practical inconvenience arising from it is that there is no sufficient security to the public for the issues of those country banks.

180. Does not the law somewhat discourage the creation and establishment of new sound country banks, inasmuch as such new banks do not compete on perfectly fair terms with the old banks which have the right of issue?—No doubt the old banks have their profit upon circulation, which the new banks must dispense with. On the other hand, there are certain risks connected with that circulation which the new banks avoid.

181. Then,

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181. Then, on the whole, your opinion seems to be that there is no sufficient ground for altering the law with respect to English country banks?—There is a want, no doubt, of uniformity, and there is a want of security for the issues of country banks, as has been proved by the failure of many within the last ten years. With that exception, I think that there is very little practical inconvenience from the present state of the law.

182. What security would you think it desirable to require from the country banks for their issues?—I can only look at the analogy of the Bank of England, which deposits Government security for the whole amount of its authorised issues.

183. You would require that they should deposit securities as against the whole of their issues?—Yes, as against their authorised issues.

184. Mr. *Glyn*.] Do you find anything in the proceedings which took place in the year 1844 with reference to that Act, which induces you to think that the framers of that Act intended to bring about a demolition of the country bank circulation at the end of ten years?—I am led to infer that, from the fact that in fixing the composition which was to be the equivalent for the abandonment of their circulation, they made it to continue for ten years.

185. They fixed the composition for the same period that was fixed for the renewal of the Bank Charter. Was not that the governing cause for fixing ten years?—The Bank Charter, practically speaking, was not fixed to terminate at the end of ten years. It was then competent to Parliament or the Government to give notice, or to keep it open from year to year.

186. It was open to revision at the expiration of ten years from that date?—Yes, on notice being given; but otherwise they would go on from year to year without the necessity of renewal.

187. Was not the intention of the framers of the Act to fix a corresponding date for the consideration of the country bank circulation?—I do not think that was the only consideration; I have stated my reason for believing that that was not the only consideration, and that the consideration was what I stated, namely, that there was an expectation that the Bank of England would absorb, to a great extent under that composition clause, the circulation of the country banks in the interval.

188. But it was intended to be only a voluntary action on the part of the country bankers?—Only voluntary.

189. Are you aware of the mode in which the average is taken now for the country bank circulation?—It is specified in the Act; I do not recollect the exact terms; I have not paid great attention to that. I know that there is a complaint of their not being able to avail themselves of the full amount of their authorised issue.

190. Are you aware that by the present mode of taking the averages they are never able to avail themselves of their total authorised amount of circulation?—Yes; I am aware of that.

191. And that in point of fact the amount of authorised country bank circulation is an amount which is never approached in actual practice?—I think that is the case. If I recollect rightly, I think it is often 1,000,000*l.* short of the authorised issue.

192. I understood you to say, with regard to the proposed addition of 2,000,000*l.* to the circulation, upon securities, that you consider that it would in point of fact amount rather to a diminution of the bullion than to any addition to the circulation itself?—Provided it was at a time of adverse exchanges, which caused the exportation of 2,000,000*l.*

193. Would not the first process be to add to the amount of the issues on securities 2,000,000*l.*, making up the amount 16,475,000*l.*; practically adding 2,000,000*l.* in reserve without any necessary diminution of the bullion in consequence of that; supposing the exchange to be favourable to this country at the time?—I stated that it would add in the first instance to the reserve which would enable the Bank to export 2,000,000*l.* more of bullion, and still retain the same relations towards the public.

194. Or to advance to the public on bills of exchange, or other securities, 2,000,000*l.* more?—Yes, in the first instance it would enable the Bank to do that. I do not think the advancing to the public in that case would affect the question unless the reserve was diminished. But the actual exportation would not make any material difference in the whole circulation. For the time being it

it would enable the Bank no doubt to accommodate the public with 2,000,000*l.* more in the banking department. The effect, no doubt, of increasing the reserve by 2,000,000*l.*, would be to give the Bank the power of accommodating the public to that extent.

195. *Chairman.*] But if the active circulation were full already, the addition of 2,000,000*l.* to the reserve would not induce the public to retain 2,000,000*l.* more in circulation, having as much as they already wanted, and the consequence would be, that it would come back to the reserve?—Yes.

196. Then it would either add to your reserve, or, by an efflux of bullion, your reserve would be diminished to a corresponding extent?—Yes.

197. Mr. *Pollard Urquhart.*] Would not those 2,000,000*l.* go out of the country at the first adverse exchange, and not come back; would not that be the ultimate effect?—That would be the ultimate effect.

198. Mr. *Wilkinson.*] But there would be a saving of capital?—There would be 2,000,000*l.* once for all added by the substitution of paper for bullion.

199. It appears that in 1844, at a time when there was 15,000,000*l.* of gold in the Bank, the reserve was 7,700,000*l.*, and the notes in the hands of the public were 20,000,000*l.* only, so that the increase in amount was to the reserve, and not to the notes in circulation?—Yes.

200. Mr. *Pollard Urquhart.*] You spoke of country banks which have been obliged to stop their issues; when they do stop their issues, is their place generally supplied by branches of the Bank of England?—We cannot trace any material difference in the active issue of the Bank of England from the failure or the abandonment of the circulation of those country banks that have ceased to issue since 1844.

201. Are you aware that there are many localities left without banking accommodation altogether in consequence of country banks having ceased to issue?—Not that I am aware of.

202. In point of fact, is it not the case that there are many localities in which it would pay to set up a bank if they were allowed to issue their own notes along with the business of a bank of deposit, but in which it would not pay otherwise?—Of that I am no judge.

203. Mr. *Spooner.*] You stated that you thought that the English country banks should give some security for their issues of notes; will you state what security you point to?—I was only contrasting the position of the Bank of England, which deposits Government security for all its issues, and I thought it would be a fair measure to apply to the country banks, namely, that they should deposit Government security for the amount of their authorised issue.

204. In whose hands should they deposit that security?—It might be deposited in the hands of some person appointed by the Government for the purpose.

205. Will you state why the creditor upon notes should have a preference over other creditors of the Bank, either upon running accounts or deposits?—The depositor enters into a voluntary trust with his banker; but a note which circulates from hand to hand is received in payment by the public, generally speaking; and it is, therefore, not so much a voluntary act as that which occurs between the depositor and the banker; consequently, I think the law rightly gives a preference, in point of security, to the person taking the note, rather than to the depositor, who has the means of judging as to the credit and position of his bankers.

206. Is it not optional with the person whether he takes the note or not; if the note is taken, is it not a voluntary act on his part?—Not practically.

207. If he doubts the credit of the bank, will he not refuse to take the note?—I think, in ordinary transactions of business, a man would place himself under great disadvantage if he refused to take the notes of a bank which were in circulation in the district in which he carried on business.

208. If he doubts the solvency of the bank, may he not present the note immediately for payment?—No doubt he may, but he may not doubt it; and still it may occur that the bank may fail, and he may have the loss to bear.

209. But the depositor equally, if the bank fails, has the loss to bear?—Yes; but in that case it was a voluntary trust which he confided to the bank.

210. You think that the noteholder is not a voluntary holder of the note?—Not in the same degree as the depositor.

211. Supposing a time of general panic, does that cause many notes to be presented for payment to country bankers at such a time?—I presume it does.

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212. Is that a time, generally, when Government securities fall very much in value?—There is a certain decline, no doubt, at that time.

213. When you desire that the country bankers should deposit security for their notes, would you give them indemnity that they should receive back again, at such a time, the same amount in money that they had deposited?—Certainly not.

214. You state that you think that the Act of 1844 has worked well; do you mean to say that it has worked well with regard to the administration of your own affairs as a bank?—Yes.

215. Do you likewise mean to say that it has acted well as far as the public is concerned?—I think it has acted well for the public.

216. Do you consider that a merchant, if he is going to make large purchases, should make no purchase whatever except what he has the means of paying for in ready money?—A merchant in his transactions, I think, should always be guided by the amount of available capital which he himself possesses; he should not take advantage of his credit without having some regard to the proportion of his available capital and the liabilities he incurs.

217. But if a merchant, having considerable capital in his trade, a large proportion of which is invested in credits which he has given, or rather, in debts due to him, or in stocks of articles of commerce of any sort which he has fair reason to suppose that he can at any time easily sell, would you say that he should not invest in the purchase of other articles on credit a fair proportion of his capital?—The whole depends upon the proportion that he assumes.

218. Suppose a merchant in the Canada trade has invested a large proportion of his capital in the purchase of timber; do you mean to say that he should confine his future purchases to what he can pay ready money for?—No; but he should preserve a certain proportion between the amount for which he has paid ready money and the amount for which he takes credit.

219. That is, that he should have confidence in being able, before his own acceptances become due, to receive payment of the acceptances which are due to him?—In that respect he must be guided by the credit which he himself enjoys, and his power of raising money to the extent of the difference between his own capital and that for which he intends to take credit.

220. But supposing that he has made those calculations properly, and that, after having done so, he suddenly finds himself in this position, that, having given undertakings due at a certain date, to meet which he himself holds in his hands acceptances to the same amount at some given date, he finds that the person whose acceptance he holds is, from the scarcity of money in the market, unable to meet his acceptance; do you regard that as over-speculation?—Then he has trusted a person whom he ought not to have trusted; he has made a bad debt.

221. Supposing that, having taken good bills from the parties to whom he has sold goods, he suddenly finds that, in consequence of the operation of causes over which he has no control, those bills are totally unnegociable, and that, being therefore unable to obtain payment, he is also unable to meet his liabilities, do you think that is a state of things which is advantageous to the public?—Practically speaking, I think no such occurrence has ever taken place. I have never known any house in London which has had good bills to offer who were not able to raise money upon them.

222. Are you acquainted with the circumstances of the year 1847?—In the year 1847 there was no house that stopped payment at the time, that I am aware of, that had good bills to offer.

223. Do you know that in 1847, if you had Exchequer Bills, they were not negociable, except at such a loss, that no man of credit would be justified in negociating them on such terms?—It was a question of loss; it was a question of the amount of discount which a man would be called upon to pay, but they were negociable.

224. Do you know that they were negociable only at such a rate of discount, that no man, having any regard to his credit, and wishing to deal honestly, would have consented to make such a sacrifice of property?—I do not know that upon Exchequer Bills there was any such sacrifice demanded upon a fair average of transactions as to imperil a person's position in business.

225. If this system has worked so remarkably well, what was the reason why the Bank of England was obliged to apply to the Government for a certain letter which

which we all know was issued in 1847?—The Bank of England did not apply for the letter. The Government, upon considering all the circumstances, issued that letter.

226. But the Government consented to issue the letter, and did practically suspend the Act of 1844?—It practically enabled the Bank to issue more upon securities than they hitherto had been allowed to do; but the Bank never took advantage of that letter for the purpose of issuing more.

227. But it so far suspended the Act of 1844 as to give the Bank of England a power which, pending the full operation of the Act of 1844, it did not possess?—It gave the power, but the power was not exercised.

228. Do you call the Act working well when, under its operation, the distress of the country appeared to be so great, that the Government thought it necessary to suspend the Act of Parliament?—The view taken by the Government of that period in issuing that letter was to allay a general feeling of alarm, I may call it an unreasonable panic, at the time which existed, generally speaking, in the public mind, that there would not be enough notes for the purposes of trade; and therefore it was thought advisable, for the purpose of allaying that alarm, to issue that letter.

229. What created that alarm?—The cause of that alarm was the decline of the reserve of the Bank to about 1,994,000 *l.*

230. Then it was the state of the reserve which created the panic, although at the same time there was a large amount of bullion in the Bank?—£.8,300,000.

231. The moment that suspension came out, I believe a great quantity of bank notes that had been hoarded came out again into circulation?—We can find no trace of those bank notes having been hoarded.

232. Did not your reserve gradually increase?—Our reserve increased as it would have done under any circumstances at that period. The reserve would naturally increase (as I explained previously to the Committee) from that exact point of the quarter when the reserve was, according to its normal action, at the lowest. From that period, whether that letter had appeared or had not appeared, the reserve would have increased.

233. Then you believe that that letter had no practical effect?—It had no practical effect.

234. Mr. *Glyn.*] The reserve would have increased provided the demand upon the Bank either for discounts or for the payment of deposits were not kept up in the same degree at which they were going on previously to that date?—The reserve would have increased with one reservation only, that is, if the Bank notes taken out from the Bank by discounts, and so on, instead of being circulated in the usual manner, through the hands of bankers and others, were locked up by merchants and others in their own strong boxes at home. But as long as the circulation continued according to its ordinary course, the amount of business transacted by the Bank in discounts, and so on, would have had no effect upon the reserve. The reserve would have continued to increase, and the active circulation would have continued to decrease from that period.

235. The issue of that letter, therefore, was intended to counteract a state of things which has been called internal panic, prevailing at that moment?—That was the object of it.

236. I understood you, in the early part of your evidence, to say that you thought that the rate of interest ought to be regulated by the amount of bullion, or by the state of the Bank reserve?—I consider that the Bank reserve, as affected by the state of bullion, is the guide in the management of the Bank in raising the rate of interest.

237. But supposing the Bank reserve to be acted upon by other causes than the state of the bullion, that is to say, by the abstraction of a considerable amount of deposits, would not that induce the Bank of England to raise the rate of interest?—An abstraction of deposits would not affect the Bank, unless the deposits were exported in the shape of bullion. The Bank reserve consists of the amount of notes issued upon bullion, not employed by the Bank; the whole circulation consists of a certain amount of notes issued upon securities and a certain amount issued upon bullion, and the active circulation in the hands of the public constitutes one portion of the circulation, and the reserve of the Bank constitutes the other.

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238. Is not the reserve of the Bank, in point of fact, identical with the reserve in any other banker's till?—Not so. The reserve of the Bank is, in point of fact, the bullion reserve.

239. Is not the reserve of the Bank the balance of the transactions of the Bank after the receipts and payments every day?—It is so.

240. In what degree does that differ from the reserve of any joint stock bank, or any private bank in the city?—It differs in this respect, that it is complicated by the issue of the notes, the notes being used by the depositors of the Bank; and you will find that, notwithstanding the increase of the transactions of the Bank at any particular period, the reserve is not materially affected thereby; the only thing that affects the reserve is the amount of notes which the public keep in their own possession, and do not return to the Bank in the shape of deposits.

241. Supposing that you have discounts on any given day, to the extent say of 1,000,000*l.*, and that 1,000,000*l.* is drawn out from your reserve, and that operation is repeated again for two or three subsequent days, so as to reduce your reserve from 4,000,000*l.* to 1,000,000*l.*, would you not then, in point of fact, regulate the rate of interest by the amount of your reserve rather than any consideration of the amount of bullion?—The discounting of bills to that extent would not reduce the reserve unless the public demanded a greater amount of active circulation. The notes issued on the discount of bills would be returned through the medium of the bankers and through deposits. Unless these transactions were for the purpose of exporting bullion, and unless there were an amount of internal panic which induced people to lock up their notes, and not to pay them into the hands of the bankers, as is usually the case, the reserve would not be affected by the magnitude of the transactions.

242. But supposing the case of any internal demand preventing the bankers from paying into their accounts in the Bank of England, and that your reserve therefore is reduced, would not then the reduction of the reserve be the measure according to which you would raise the rate of interest, rather than any consideration in connection with the bullion?—I should say that if that state of things were caused by an internal alarm or panic, I should then myself be averse to raising the rate of interest, which would add to that alarm rather than diminish it. My own impression is, that the better course would be to remain perfectly passive till that alarm was allayed.

243. Mr. *Laing*.] I understood you to express a strong opinion that it would be for the public interest that the Bank of England should not follow the example of the joint stock banks in giving interest upon deposits?—That is my opinion.

244. And your reason for that, I understand to be, that you deprecate anything that would lead to very close investments of the reserve of the Bank, especially in speculative securities?—Any close investment of the reserve of the Bank, not having any regard to the nature of the securities, which I did not take into consideration; but it would not be desirable, I think, that the reserve of the Bank should be closely invested, inasmuch as that is the reserve at present of the whole country.

245. You look upon that reserve, in fact, as the pivot upon which at certain periods the commercial credit of the country depends?—I do.

246. You think it advisable therefore, for the public interest, that the reserve should be kept as large and as available to meet emergency as possible?—I think that is the true view.

247. Under the existing state of the law is there any security that the Bank of England will continue to act upon that view with regard to the reserve?—It is left certainly to its discretion as bankers.

248. There is nothing in the present state of the law, for instance, that would prevent the direction taking a different view from you, and adopting the practice of joint stock banks with respect to the investment of its reserve?—There is nothing in the state of the law to prevent it.

249. It is, in fact, a question of discretion with the Bank of England Directors, is it not?—Certainly, at present.

250. In periods when there is a great abundance of money, has not it frequently happened that the Bank of England have entered into close competition with

with other money-lenders, and have so tended to force the rate of interest down very low indeed?—I think that competition has not been to any very great extent. The rule that has been adopted in such cases by the Bank of England is in some degree to follow the market rate of interest. If, for example, the market rate was $2\frac{1}{2}$ per cent., the Bank would reduce its minimum rate to 3. It does not lead the way in reductions of the rate of interest; it has only followed the previous state of the market.

251. Do you think that by the peculiar position of the Bank of England, which you describe as the pivot of the great mass of commercial transactions, it possesses a peculiar power of raising on the one hand, or lowering on the other, the rate of interest in the market?—I think it possesses no power, when spread over a certain period of time, of either raising or depressing the rate of interest. It may, during the accumulation of the public deposits at particular periods of the quarter, be enabled to raise the rate of interest for a short time; but the moment the dividends are issued, and the public come into possession of the dividends, that immediately corrects any power which the Bank of England might have exercised previously of raising the rate of interest.

252. Do you not think, in point of fact, that the Bank of England, by lowering its rate of interest so low as 2 per cent. in 1845-6, and again in 1852, did stimulate the spirit of speculation which prevailed so extensively in those times?—I think that that spirit of speculation depended more at those times upon the amount of capital which was unemployed. That amount of capital unemployed no doubt was indicated by the low rate of interest current in the market, which low rate of interest the Bank thought it advisable at the time to indicate in the rate which they charged; but the rate which the Bank charged was not the cause, but only the index of that amount of unemployed capital.

253. Previously to the passing of the Act of 1844, the Bank of England, I think, had never for a long series of years reduced its rate of interest below 4 per cent.?—I think that was the case: it was 5 per cent. at one time.

254. Do you think it desirable or not for the public interest that in times of prosperity and abundance, like that of 1845-6, the Bank of England should accumulate a larger reserve than the mere interest of its shareholders might justify with a view to provide large resources against any drain that might occur?—That has been always the action of the Bank. It is not possible for the Bank in times of very large deposits to employ them; and you will observe, from the papers before the Committee, that during the periods of large deposits our reserve has been of a very large amount indeed. In 1852, when our total deposits were 19,000,000 *l.*, our unemployed notes were 13,000,000 *l.*

255. Mr. *Glyn.*] What was your rate of interest then?—Two-and-a-half per cent. In 1853 our deposits on the average were 18,000,000 *l.*, and our banking reserve was on the average 8,900,000 *l.*: that is the yearly average. But in 1852 was the first indication, by a very large amount of reserve, of a very large amount of unemployed capital in the country.

256. In fact, you started at the commencement of the present drain with an unusually large reserve?—We did.

257. And, notwithstanding the amount of the reserve, during the continuance of that drain your reserve was brought down nearly as low as 3,000,000 *l.*?—It was brought down to 3,000,000 *l.* by the export of gold.

258. If, therefore, you had started with a smaller reserve, and the drain had been the same, either you must have had recourse to more stringent measures, or your reserve must have been reduced to a very hazardous point?—We should have begun sooner to enforce those measures which we were obliged to do later, when the reserve diminished to a point below which it was not safe to allow it further to decline.

259. When you say that it was not safe to allow it to go lower, what do you consider about the lowest point to which you should let your reserve decline, so as to avoid the risk of causing a panic like that of 1847, through the fear of merchants not being able to get the necessary accommodation?—We think that we ought to reserve a minimum of one-fourth on deposits. Our reserve fluctuates between one-fourth and one-third in times of scarcity of money, and it goes up to half, and higher than that, in times of abundance.

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260. In times when your reserve has been abundant, are you not driven, by a regard to the interest of your shareholders, and the necessity of making a dividend, to invest your reserve upon securities which in any ordinary course of banking business you would not invest upon, such as railway debentures, for instance?—I think our accounts will show that we have not followed that course. We have a certain amount always invested in railway debentures, and we have so at this moment; in times of scarcity as well as in times of abundance of money.

261. Does not that diminish *pro tanto* the amount that you would have available to meet any pressing demands for the commercial interests?—We have always an available and sufficient amount of Government securities which we can convert for the purpose of supplying any amount wanted for commercial purposes.

262. In short, if I collect your opinion correctly, the management of your banking reserve is the one essential point in your banking system?—It is so.

263. And that depends now entirely on the discretion of the Bank directors?—It depends upon the demand made for the commerce of the country upon the bullion of the country, always excepting the case of an internal demand for notes caused by a feeling of alarm, which induces people to lock up their notes.

264. But that regulation of your reserve, if I rightly understand you, is not always identical with the course which you might be induced to take, if you looked merely to getting the largest return for your shareholders on their capital; for instance, in some of the joint stock banks that course, which you deprecate, is a profitable course for the proprietors?—The joint stock banks invest their reserve very much more closely than the Bank of England does. In point of fact, they look to the Bank reserve as their reserve.

265. Have you turned your attention to consider whether, as it is a matter of such essential importance to the country for the Bank of England to keep a large reserve, it would be possible to make any arrangement between the Bank and the Government by which the Bank might be compensated for any loss which the shareholders might sustain in keeping up a larger reserve than they would otherwise do?—I apprehend that no arrangement would give the power to the Bank of keeping a reserve. The reserve, practically speaking, depends very much upon the fluctuations in the means the commerce of the country possesses for the payment of the balances caused by the exports and imports of the country. When the imports of the country exceed in value, for a certain period, the exports of the country, a balance is created against the country which, provided there are no failures or discredit at the time, must be paid in bullion. That bullion is drawn from the Bank reserve; and the only means which the Bank has of counteracting that is, by raising the rate of discount, placing a restriction upon the discount of bills, diminishing credit, and so gradually bringing matters more nearly to a money payment. Now, no arrangement between the Government and the Bank would alter that state of things. The same effects must result from the same causes. In that case operations must be undertaken in order to prevent the demand upon the bullion of the country from being extended to an inconvenient amount.

266. But, practically, would it not make a very great difference, whether in encountering a drain, say of 10,000,000 *l.* to meet an adverse state of the foreign exchanges, you began with a reserve of 13,000,000 *l.*, and stopped when it had sunk to 3,000,000 *l.*, or whether you began with 10,000,000 *l.*, in which case your reserve would be much sooner exhausted?—The larger reserve would enable the country to pay a heavier balance out of the amount which we had previously accumulated.

267. In the former case, you would be able to stop the drain without creating a panic by exhausting your reserve, but in the latter case, would you not run great risk of causing a domestic panic by exhausting your reserve by meeting the drain from abroad?—In that case, we should take earlier measures to meet that drain. We should raise the rate of interest and restrict the discount of bills, so as to cause a reaction of the exchanges before the period of a low reserve should arrive.

268. You see nothing then in the existing state of the law which would in your

your opinion make it desirable to have some arrangement with the Government, by which you could be compensated for accumulating a large reserve in a time of prosperity to meet a subsequent drain which might ensue in a period of pressure? —I cannot see any advantage which could be derived from such an arrangement, except to the Bank in a pecuniary point of view. The Bank now of necessity, in times of great abundance of money, when there is a difficulty in the employment of it, accumulates a great reserve, and sometimes that reserve is acted upon by adverse exchanges gradually, and then the profits of the Bank no doubt increase. If an arrangement were to be made between the Bank and the Government by which the Bank was to be compensated for maintaining a large reserve in times of great abundance of money, it would amount simply to this, that the public would have to pay the Bank for maintaining a large reserve, which under any circumstances it would be obliged to keep, and has not the means of avoiding.

269. When you talk of a large reserve accumulating in prosperous times, is not the term comparative? If you abstained from reducing your rate of discount very low, say to 2 per cent., and from advancing money upon railway securities, would not your reserve be still larger?—No. If you watch the course of the Bank accounts, you will see that the rate of interest and the amount of discounts go down together. When the discounts are low, the amount of money under discount is always at the lowest point also. When there is a low rate of interest, the discounts of the Bank of England are always very small indeed. It is not possible for the Bank to force its money into circulation in that way. Whatever rate of interest the Bank may charge, any competing bank and the discount houses will of course go lower. The reserve is not acted upon by the investments of the Bank, but it is acted upon by the demand for bullion at the Bank; always taking, with the previous reservation which I made, that there is no variation in the amount of the active circulation from a normal state of things.

270. If you reduce your rate of interest as low as 2 per cent., is not the effect of that to make the other money dealers reduce below 2 per cent., to 1½ per cent.?—We never lead the way in the rate of interest. If the market rate of interest at the time is 2 per cent., the Bank of England reduces its rate to 2½; but we never lead the way.

271. If the Bank of England had at such a time maintained its rate of interest, say 4 per cent., do you think that that would have had no practical effect in checking that extreme cheapness of money which led to over-trading and speculation?—I think it would not have had much effect in checking the spirit of speculation, and for this reason, the low rate of interest is an indication of a large amount of capital which is seeking employment. That amount of capital seeking employment is not the property of the Bank, but it is the property of the depositors and the customers of the Bank, who, quite independently of the Bank rate of interest, are anxious to find some means of investing their unemployed capital, and it is the desire of those persons to invest that unemployed capital which gives rise to the spirit of speculation. In my view the rate of interest is merely an index of the amount of unemployed capital seeking investment. It is not the cause of the speculation, but it is merely an index to it.

Session II., 1857.

Martis, 19° *die Maii*, 1857.

MEMBERS PRESENT.

Mr. Ball.	Mr. Hildyard.
Sir Francis Baring.	Mr. Hope Johnstone.
Mr. Blackburn.	Mr. Puller.
Mr. Cayley.	Mr. John Lewis Ricardo.
Mr. Ennis.	Mr. Martin Tucker Smith.
Mr. Fergus.	Mr. Spooner.
Earl of Gifford.	Mr. Chancellor of the Exchequer.
Mr. Gladstone.	Mr. Tite.
Mr. Glyn.	Mr. Vance.
Sir James Graham.	Mr. Weguelin.
Mr. Hankey.	Mr. Wilson.

THE RIGHT HON. THE CHANCELLOR OF THE EXCHEQUER, IN THE CHAIR.

T. M. Weguelin, Esq., M.P., and *S. Neave*, Esq.

19 May 1857.

Thomas Matthias Weguelin, Esq., a Member of the Committee, and *Sheffield Neave*, Esq., Governor of the Bank of England; Examined.

272. *Chairman* (To Mr. *Weguelin*).] HOW long were you Governor of the Bank of England?—I was two years Governor of the Bank, and two years Deputy-governor.

273. You have now ceased to be Governor?—Since April.

274. You have been succeeded by Mr. Neave, who was formerly Deputy-governor?—Just so.

275. Mr. *Gladstone*.] You gave evidence before the Committee on the Bank Charter in the short Session of last Parliament?—I did.

276. In your answer to question No. 26 of that evidence you state that you had been enabled to maintain a reserve of notes and gold in the banking department which never descended below 3,000,000 *l.*; that means since the crisis in the autumn of 1847, does it not?—Yes.

277. Several questions were put to you in your former evidence in which it was asked, more or less directly, whether you considered such a minimum reserve as 3,000,000 *l.* adequate and satisfactory for the functions of the Bank. Is the Committee to understand it to be your opinion that a minimum of 3,000,000 *l.* is adequate and satisfactory?—I stated that in times of scarcity of money we were in general enabled to keep a minimum of about one-fourth of our deposits, varying up to one-third, and that in times of abundance of capital our reserve was considerably larger than that proportion.

278. In speaking of one-fourth of your deposits, you mean your private deposits?—Of our whole deposits.

279. Has there been any period when your whole deposits have been at the point indicated by four times 3,000,000*l.*?—I see that our deposits then were as high as 14,500,000*l.* on the 18th of October 1856.

280. You are referring to the last occasion, when your reserve has fallen to 3,000,000*l.*?—Yes.

281. Looking to all the difficulties of the case, with the special circumstances of the Bank of England, are you prepared to give it as your opinion to this Committee, that upon the whole, that has been a satisfactory amount of reserve to maintain as a minimum?—That was the lowest period of the quarter; and therefore, though it was not satisfactory to the Bank that the reserve should be as low as that, it caused no alarm in the minds of the Bank Directors, because they were aware that that was the lowest period of the reserve in the quarter, it being immediately after the payment of the dividends.

282. With a view, however, to the maintenance of public confidence, would you say that it would be desirable that the Bank should be enabled to maintain its reserve, and even its minimum reserve, at a higher point than that?—I think it should endeavour to maintain one-fourth of its deposits as a minimum reserve.

283. But

283. But you think that a reserve equal to one-fourth of its deposits as a minimum is sufficient for every purpose of public confidence as well as of real security?—I think so.

284. You stated to the former Committee that the Bank reserve was considerably larger than that which was kept by Joint Stock Banks. Are you prepared to make a similar statement with regard to private bankers generally, as well as Joint Stock Banks, which pay interest upon deposits?—I am not able to speak positively as to what the reserves of private bankers are. Mr. Glyn, perhaps, would give better evidence upon that, but my impression is that the reserve of the Bank of England is larger than that which private banks think it necessary to keep.

285. My question was, whether you are prepared to give the same answer with reference to private banks which you gave with reference to Joint Stock Banks?—I have not the means of judging of private banks. But I consider that the amount of reserve kept by Joint Stock Banks is not so large in proportion to their liabilities as that of the Bank of England.

286. When you speak of the reserve kept by Joint Stock Banks, do you mean that which they have within the walls of their own establishments, or do you include in their reserve the cash which they may have at the Bank of England?—I include both.

287. Since the year 1844 it may be safely stated, may it not, that there has been no fear at any period as to the convertibility of the bank note?—I think not.

288. It is also true that since that period there has not been anything at all approaching ever so faintly to political panic in this country?—No, nothing.

289. Therefore, is it not the case that when there has been anxiety in the public mind, it has been entirely caused by the impressions prevailing, whether justly or irrationally, with reference to the state of the Bank reserve. Take for instance the period of the October quarter in 1847?—I think that period in 1847 was the only period at which there has been an alarm which had reference solely to the Bank's reserve.

290. Have there not been at other periods certain degrees of uneasiness upon the same subject, though they may not have amounted to alarm?—I think there has been no alarm except upon that particular occasion.

291. Is the Committee to understand that the point of anxiety or the point of attention with the Court of Directors of the Bank, has also been the state of its reserve?—That is the guiding rule of their action.

292. Will you state the different classes of measures that you have adopted at different times with a view to sustain your reserve, when you have apprehended that it was likely to sink too low?—I think that I may refer to my previous evidence upon that; I think the answer to Question 34 gives a detail of the measures which have been used during the time that I was Governor and Deputy-governor.

293. In that answer you enumerated the various changes which at certain periods you made in the rate of your charge for discounting bills, which of course has been one most important class of the measures adopted with a view to sustaining your reserve?—Yes.

294. You also referred in that answer to the restraints which you placed upon the discount of bills, with reference to the kind of bills which you would consent to discount?—With regard to the length of the term of bills.

295. You have adopted a class of measures which may be described as restrictive of commercial accommodation otherwise than by a simple raising of the rate of interest?—Yes; I think we have not adopted a class of measures entirely different; we have only placed a higher price upon the longer dated securities than upon the shorter dated ones.

296. Has not the Bank found it expedient likewise to adopt another class of measures for the purpose of sustaining its reserve, namely, the sale of public securities?—We sold a considerable amount of public securities early when the drain occurred. Afterwards we did not find it necessary to sell public securities, but we acted upon the rate of discount.

297. Do you mean the drain of 1847?—No; I referred to the drain of 1854 or 1855. My evidence is confined principally to my own experience when I was Governor and Deputy-governor.

298. Then would it be correct to say that there are three classes of measures which the Bank did adopt, or may legitimately adopt; first, the raising the rate of interest upon discounts; secondly, other measures of restraint with respect to commercial accommodation; and thirdly, under possible circumstances, the sale of

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of public securities, all with a view to maintaining or restoring its reserve?—The sale of public securities has not the effect of altering the state of your reserve. The charging of high rates upon bills discounted has that indirect effect, inasmuch as it renders the value of money higher in this country, and renders bills in this country more difficult of negociation. The same effect is produced by putting a restraint upon the term of the bills which you discount. The bills upon this country are rendered fewer by the difficulty of negociation, and the high price at which they are obliged to be negociated. The sale of public securities by the Bank is in reality nothing more than the transfer of the capital of the Bank from one species of security to another species of security, for the money which the Bank draws in by the sale of public securities is immediately taken out again by the wants of the discount market; the amount of capital in the money market at the time being only just sufficient for all the wants of the money market. If therefore you withdraw money from the stock market, it must be issued again to the discount market.

299. Is that true to such an extent that you can say that the sale of public securities has produced no perceptible effect upon the reserve of the Bank?—I think it is so.

300. With all the fears of the public, when a drain has existed, you consider that the anxiety and the true prudence of the Bank is now, and has been for a considerable time past, directed not to the provision of bullion as a security for the convertibility of the notes, but to the provision of cash in gold and notes together, in order to maintain your banking reserve?—The banking reserve consists of the notes not employed in active circulation. As the active circulation is issued partly upon securities, that is, to the extent of 14,475,000 *l.*, and the rest upon bullion, the banking reserve is, in point of fact, a reserve of bullion. Thus nothing affects the banking reserve but a demand for bullion either for the internal wants of the country, or for the purposes of export. The rule, therefore, which the Bank has followed in managing its banking affairs, is to regard the banking reserve as affected by the demand for bullion.

301. But when you have had occasion to desire an increase in the stock of bullion, am I to understand that that has not been because more bullion was wanted to secure the convertibility of the note, but that it was because more bullion was the basis of a larger issue of notes, and an increased issue of notes was desirable, with reference to the state of your reserve?—That is so.

302. Having in view the answers that you have given with reference to the state of your banking reserve, as the great object of care and attention under the present law, do you think that the provisions of the present law are the best that could be adopted in order to enable you to maintain the reserve in a satisfactory state?—I think the provisions of the present law as to issue little affect the state of our reserve, the provisions being that there shall be only a fixed amount issued upon securities. The fluctuation of the bullion, which is the index of the fluctuations of the wants of the commerce of the country, must be the measure of the fluctuations of the reserve; and that must be the case, I think, under any system of law with regard to the circulation which you may enact.

303. Do not the provisions of the law with respect to issue, act powerfully upon your measures with regard to the maintenance of your reserve; and is not your position, as to the maintenance of your reserve, somewhat different now from what it was before the Act of 1844?—Before the Act of 1844 it was no t necessary to keep a reserve other than the bullion which was in your coffers. That was your reserve. When you were called upon for any sudden demand you issued notes, and, of course, that varied the proportion of your bullion to your notes.

304. Therefore your position has been materially changed by the Act of 1844 with reference to your power over your own reserve at any given moment?—Yes, with reference to our power over the bullion; not over the reserve, but over the bullion.

305. Looking at that difference in your power with respect to the issue of notes, have you any improvement to suggest in the provisions of the present law, or do you think that they are not susceptible of any improvement?—I think no other rule that you could adopt would be so simple and of so ready application as the present law.

306. A foreign drain has been the principal cause of pressure during the period when you have been Governor and Deputy-governor of the Bank?—Yes, that has been the chief cause.

307. Your

307. Your power of checking a foreign drain has consisted of raising the rate of discount upon bills and other measures having reference to the restriction of commercial accommodation?—That has been the power which we have used.

308. It is by raising the rate of discount that you have expected to restore your reserve of bullion to a safe and satisfactory amount after it has fallen below that amount?—Yes.

309. Do you think that it would be impossible to frame a law which should establish directly a relation between the rate of interest and the stock of bullion, which relation is now maintained by the action of the Court of Directors in raising the rate of interest?—I do not think it would be possible to frame a law which would necessarily involve the consideration of the rate of interest in foreign countries, and the peculiarity of the demand for bullion upon this country.

310. Would it be possible to frame a law which should provide that over and above an issue upon a fixed amount of securities, and over and above an issue against bullion, there might be a further issue upon securities limited by a certain rate of interest, which rate of interest should increase as the stock of bullion in the Bank diminished?—I think that would be a prejudicial measure. The effect would be an increased issue upon securities, and the only safeguard would be the high rate of interest at which it was issued. Now, the high rate of interest calculated upon the exchange of bills between this country and foreign countries would have so small an effect upon the rate of exchange, as not to afford a sufficient guarantee that large new transactions affecting the balance of trade already existing against this country might not be entered into. For instance, supposing the rate of interest at present to be 6 per cent., you would allow an increased issue upon securities at the rate of 8 per cent. per annum. The difference between those two rates, namely, 2 per cent. per annum, reckoned upon a three months' bill (which is the ordinary currency of bills upon this country from the continent), is in reality only one-half per cent.; one-half per cent. reckoned in exchange between Paris and London is only 12 centimes; 12 centimes is not an unfrequent variation in a single post-day. Therefore that would be no sufficient security that large new transactions still more prejudicially affecting the balance against this country might not be entered into under such circumstances.

311. Setting aside for the moment minor measures of commercial restraint, is not the rate of interest now the great restriction to which you look for bringing back the bullion to this country?—In that respect there is a difference of opinion amongst the Directors. I look more to the restraint which is placed upon the term of bills than to the rate of interest. The restraint upon bills according to my view acts in this way; in the first place, it renders difficult the negociation of bills of a long date, and thereby tends to diminish the number of bills which are drawn at that date because it is not convenient for importers to import produce, unless they have sufficient time to be able to realise the produce in order to meet the bills. If, therefore, they cannot readily negociate their bills for produce which they import into this country, they will naturally restrict their transactions, and the number of bills upon this country will diminish; and that is the meaning of the correction of an adverse exchange; an adverse exchange means nothing more than the number of bills upon this country exceeding the number of bills which this country has drawn upon other countries. The effect also of limiting the advances to short periods, as regards the Bank of England, is, that it brings back your reserve much quicker. You are enabled also to accommodate a larger number of persons, though for a shorter time, and by rendering money easily obtainable for shorter periods, although it may be at a high rate, you prevent any great feeling of alarm which the public probably might feel unless they found money readily at hand, although only for a short period.

312. Is it your practice at certain periods to refuse to discount long bills for the public as well as for bill brokers?—We have never refused to discount bills having less than 95 days to run, but we have charged an increased rate upon long bills in order to encourage the presentation of short bills.

313. If you have only charged an increased rate of interest upon long bills without refusing them, then we revert to the position that the rate of interest has been the effective check and the effective means of restoring the bullion?—But those long bills are rendered more difficult of negociation than shorter bills.

314. At the time when, as you stated to the former Committee, you limited your advances to the discount brokers, by insisting upon their bringing in only

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bills having not more than 30 days to run, had that measure an important effect in diminishing the number of long bills discounted?—It had the effect of diminishing the number of long bills presented to the Bank. It also had the same effect as a discriminating rate by enabling the discount brokers to charge a higher rate upon all bills presented to them, inasmuch as they were obliged to provide short bills for the purpose of raising money at the Bank, and for that accommodation of course they took advantage by charging higher rates upon the long bills offered to them by their customers.

315. Of course a larger proportion of long-dated bills reach the Bank usually through the medium of the bill brokers as compared with the proportion which reaches the Bank directly from the public?—The larger proportion of all the bills which the Bank discounts comes through the discount brokers.

316. Are you then disposed to think that, upon the whole, the restrictions upon bills, other than the simple raising of the rate of discount, are quite as important and effective in restoring the exchanges as the measure of raising the rate of interest?—I think quite. In my view they are rather more so than the mere raising the rate of discount in such a degree as should be within moderate limits. I do not mean to say that if you raise the rate of interest to 10, 11, or 12 per cent., the same effect would not be produced. Indeed by raising the rate of discount you act morally upon the number of bills produced, by the increased difficulty which people find in negociating them.

317. Would it not be desirable, if you could attain the object without encountering other difficulties, to remove the apprehension which has once or more than once possessed the public mind with regard to the possibility of an exhaustion of the Bank reserve?—Certainly.

318. If you were to be permitted to issue upon securities at certain high rates of interest rising in proportion to the declension of the bullion, would not that be likely to attain that particular advantage of preventing the public entertaining any apprehension of an absolute want of cash for carrying on the transactions of the country?—I think it would obviate the difficulty that was about to occur in 1847, when the letter of the 23d of October appeared, when no doubt there was a great probability of notes being demanded for the purpose of persons locking them up so as not to be available for circulation under such a state of things. No doubt the knowledge that notes were certain to be had at a certain rate would obviate the panic. But there is this reservation to be made, that the state of the exchanges must be in favour of the country at the period—otherwise I am still of opinion that a certain issue at a fixed rate of interest would not obviate the evil which we chiefly wish to avoid, namely, the continuance of unfavourable exchanges with foreign countries.

319. But you think that you can count upon bringing the exchanges right by rates of interest, if they are sufficiently high?—No doubt, if they are sufficiently high.

320. But admitting that such an advantage might attend the description of measure that has been suggested, you think that a benefit of that kind would be more than compensated by the evils and dangers which it would bring?—I think it would require discretion, even in the use of the power conferred by a law of that nature.

321. You do not think it would be possible to execute a discretionary agency?—I do not.

322. Even though the rate of interest upon the issues were fixed at a very high point?—Of course the point at which you fix the rate of interest might make a difference. If you were to fix the rate at 11 or 12 per cent., I should say there would be no danger; but I must see the details of the measure before I could give an accurate opinion upon it.

323. Do you think there are any objections to the provision of the law for the issue of 14,000,000*l.* absolutely upon securities with reference to periods when money is abundant; has that provision a tendency to run down the rate of interest to an extremely low point by making money redundant?—There is no doubt that at times when gold is abundant in the country, the issues upon gold may be sufficient for the purposes of forming an adequate bullion reserve for the active circulation of the country, and also an adequate reserve for the banking department of the Bank, even without taking into account the 14,000,000*l.* issued upon securities. For instance, on the 26th of June 1852, the bullion amounted to 22,000,000*l.* The notes with the public amounted to 21,000,000*l.*;

21,000,000*l.*; therefore there was more than enough bullion for every note that the public had in its possession.

324. In your letter to the Chancellor of the Exchequer on the 10th of last November, in speaking of the Act of 1844 and the reasonings of its supporters, you say,—"It thus favours the competition with private money-lenders, which, in periods of large deposits, is apt to produce an unwarranted inflation of credit." Had that passage any reference to the fixed issue of 14,000,000 *l.* upon securities?—I was referring merely to the reasoning of the supporters of the Act, not to the action of the Act itself. I say, "much opposition to the Act of 1844 has been directed rather against the reasoning upon which the Act was founded, and by which it has been defended, than against the provisions of the Act itself." I am here referring rather to the reasoning upon which the Act was founded.

325. You did not intend therefore to imply any objection to the issue of 14,000,000 *l.* upon securities?—No, I did not.

326. In expressing an opinion that the limiting the term of bills of exchange was a more effective measure for the purpose of restoring the bullion than the mere rise of the rate of discount, you stated that there was a difference of opinion between yourself and some of your colleagues upon that point. Are you prepared to inform the Committee which opinion is the general opinion of the Court upon that subject, if there is a general opinion in the Court upon the subject?—I must say that the opinion of the Court fluctuates very much. At times the opinion which I advocate is in the ascendant, at other times the opinion that a uniform rate of interest is the best, has the preference.

327. You are not prepared to say that there is one permanent, prevailing sentiment in the Court upon this subject?—No, there is not.—(Mr. *Neave*). May I observe that the question appears to draw a contrast between them as two distinct measures. Now I think the Court look upon them rather as simultaneous and concurrent measures. Those who take the view with Mr. Weguelin, that the limitation of the term of the bills is a stringent measure and a very effective measure as regards the exchanges, do not lose sight of the important and real effects of it, which consists chiefly in raising the value of money. But the Court look mainly to the raising of the rate of interest as the mode of protecting the bullion.

328. (To Mr. *Weguelin*.) In the same paragraph of your letter, you say, "The Act, and more especially the reasoning of its supporters, encourage a dangerous theory that the Bank of England in its banking department may in all respects act as would a private banker in the management of his deposits." Now will you describe to the Committee what you consider to be the difference between the Bank of England and a private banker with regard to the management of their deposits?—The chief difference, perhaps the only difference, is that the Bank of England makes a much larger reserve than a private bank finds it necessary to do.

329. So that the Bank of England has to apply prudential considerations of a public order to cross and qualify to a certain extent the simple pursuit of profit?—That is so.

330. It must therefore be a matter of great difficulty at times for the Court of Directors, having the interest of the Bank proprietors to attend to on the one hand, and these public considerations on the other, to balance the one against the other?—No; I have been a Director of the Bank of England for 20 years, and I can never yet remember a discussion in the Bank Court in which the interests of the proprietors were considered irrespective of the public interests.

331. Still if I understand you rightly, it is the fact, that to a certain extent and under certain circumstances, the interests of the proprietors have to give way to what you deem prudential considerations immediately connected either with the welfare of the State or with the welfare of commerce at large?—I think that the interests are identical; I do not think that the Bank Court could manage its affairs well for the interests of its proprietors, and at the same time manage them badly for the interests of the public. The interests of the public are the same as the interests of the proprietors, namely, that the Bank should be in an effective position of the highest possible credit.

332. Is the Committee then to understand that there is a real, or that there is only an apparent conflict of interest between the two?—I think that there is only an apparent conflict of interest between the two; and that has been the invariable opinion of the Bank Court.

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333. Will you have the kindness to turn to Paper No. 13,* at page 6, where we have a certain account from the Bank with reference to the period of October 1847. It appears from that account, that previously to the payment of the October dividends the Bank was advancing on loans at five per cent., and that the rate of discount was not raised above 5½ per cent. till the period when the Government found it necessary to issue the letter suspending the provisions of the Act of 1844. Was it, in your opinion, prudent on the part of the Bank at that period to maintain a rate of discount so low as 5½ per cent. under the circumstances of such a crisis?—It must be explained that that minimum rate of 5½ per cent. was accompanied by very severe restrictions upon the term of bills which were accepted for its discount at that period. As high a rate as 9 per cent. was charged upon bills having longer dates than those convenient for the Bank to take at that time. I think that minimum rate was only for fifteen days. The minimum rate taken at that period can afford no indication of the ordinary rate that the Bank was charging.

Vide Appendix, No. 13, p. 119.

334. Do you think that the action of the Bank at that period was as stringent as the present Court would think necessary with its enlarged experience, if a similar crisis returned; or do you think that they would act now with still greater stringency under similar circumstances?—I think they would not act with greater stringency; I think the stringency then used was as great as the occasion required. You will understand that at that period the exchanges were in favour of the country.

335. Am I right in understanding from your former evidence, that the relations of the Bank to the State are principally these four. In the first place, as a great creditor of the State for what may be called a permanent advance, in respect of which permanent advance it receives a rate of interest of 3 per cent. In the second place, as the agent of the State in the business of issue. In the third place, as the agent of the State, or as acting on behalf of the State in the management of the National Debt; and in the fourth place, as bankers of the State in receiving and disbursing the public money?—Yes; those are the four divisions of the business of the Bank.

336. With respect to the position of the Bank as creditor of the State for what may be called a permanent advance, that advance, I believe, was originally made at rates of interest lower than the then ruling rates, more or less in consideration of, and as an equivalent for the privileges enjoyed by the Bank?—I think it was so; for at the time of the first origin of that debt, I think the interest was 8 per cent.

337. From time to time the arrangements with respect to that debt have been reconsidered, and the rate of interest has been reduced?—That is so.

338. The Bank of England now receives 3 per cent.?—Three per cent. upon 11,000,000 *l.* odd.

339. Do you consider that that advance of 11,000,000 *l.* by the Bank, at a rate of interest so moderate as 3 per cent., represents something in the nature of an equivalent, as far as it goes, given by the Bank to the country, for the privileges which it has enjoyed?—It is something in the nature of an equivalent.

340. That is to say, it is a loan at something less than the rate of interest which the public creditor can usually command in the money market?—That is so; the Bank of Ireland, for instance, which has money on loan to the Government under similar circumstances, receives 3½ per cent., which is nearer the average return from the public securities of the country than the 3 per cent.

341. In the year 1844 was there not an arrangement made between the Bank and the Government as to the price which the Bank was to pay for the privilege of issue?—In consideration of the privilege of "exclusive banking," and the exemption from stamp duty given by that Act, the Bank are to pay a certain sum, 180,000 *l.* per annum.

342. By the words "exclusive banking" is there anything more meant than the mere office of issuing privileged notes; is there any exclusive banking contemplated in those words except that?—Those are words derived from previous Acts, and no doubt those privileges have been reduced. The privileges of exclusive banking are now confined entirely to the issue of 14 millions of notes upon securities and what is called the legal tender, which however is of no value to the Bank now, inasmuch as the amount is fixed to which they can issue notes upon securities.

343. An arrangement was made in 1844 as to the terms upon which the Bank should enjoy that privilege?—Yes.

344. In

344. In point of fact, that is the meaning of the words you have quoted from the Act of Parliament?—Yes.

345. There are other privileges enjoyed by the Bank, with reference, for instance, to the management of the National Debt; but they are entirely beyond the scope of that Act?—I think so.

346. At present the Bank pays 180,000*l.* for the privilege of issue; that is to say, 120,000*l.*, as stipulated between the Bank and the Government of that day, and 60,000*l.* composition for stamp duty?—Yes.

347. Is it within your recollection that, at the period of that arrangement, the Bank gently protested against that payment of 120,000*l.* plus the 60,000*l.*, as a larger one than it ought to be called upon to make, at the same time acquiescing in the arrangement?—I think that sum was fixed by the previous Act. If I recollect right, we paid that sum under the Bank Charter of 1832.—(Mr. *Neave*.) Lord Althorp fixed that sum of 120,000*l.*, and at that time he expressed an expectation that there would be an extension of the circulation of the Bank of England.

348. Is it within your recollection whether, at the time of the arrangement of 1844, the Governor and Deputy Governor of the Bank, in acceding to the arrangement, yet spoke of the price which they were to pay for the issue as being in their opinion a higher price than the country might equitably have demanded of them?—I think it was stated that there was ground rather for a diminution than an increase of the payment; the expectations as to the extension of the circulation not being by that Act realised, inasmuch as it was limited down to 14,000,000*l.*

349. (To Mr. *Weguelin*.) Will you be kind enough to turn to your evidence before the former Committee, the answer to question 139: you will observe that it is there assumed in the question, and not corrected in the answer, that the sum of 11,015,000*l.* has been lent to the Government without interest. That is an error, is it not, according to the answer you have recently given. Yes, that is an error. My answer is correct.

350. You state in answer to that question that the expenses of issue are about 160,000*l.* Am I to understand that by the expenses of issue you mean not merely the expense of maintaining the issue of 14,000,000*l.* against the security, but the expenses of the entire issue of bank notes?—Of the entire issue.

351. Could you lay before the Committee any statement which would show the Committee how those expenses of issue are calculated?—There is a Parliamentary Paper stating the expenses, which has been laid before Parliament. I think you will find it in the previous evidence given before the Committee in 1847 or 1848. The whole expenses of the issue department were laid before the House at that time.

352. Showing how the sum of 60,000 *l.* was made up?—Yes.

353. With respect to the amount allowed as the value of the issue, the Bank allows the value of the issue upon securities to be 420,000 *l.*, taken at 3 per cent. Do you conceive that to be a sufficient amount to allow for the profit of the issue?—£. 11,000,000 of that is fixed by the payment of the Government, and then the remaining 3,000,000*l.* may be taken, if invested for instance in Exchequer Bills, as not yielding upon the average much more than 3 per cent. The actual profit upon the issue department is 3 per cent. upon the 11,000,000 *l.* we lend to the Government, and we may take the same rate of interest upon the remaining 3,000,000 *l.*, for which we hold other Government securities.

354. Do you think that is a correct manner of stating the question; would it not be more correct to separate altogether the question of the profit which the Bank makes by the issue of the 14,000,000 *l.* of notes from the interest which it receives from the Government upon securities held against those notes. Ought not the two to be entirely separated?—No, because the debt of the Government is held as the security upon which the notes are issued.

355. Does the interest paid to the Government upon that debt form any criterion whatever of the value of the privilege of issuing 14,000,000 *l.* of notes?—Yes; it goes to the credit of the issue department.

356. The Legislature authorises the issue of 14,000,000 *l.* of notes upon securities without bullion to represent them, and without any expense except that of producing and making the notes. Now, are you prepared to say whether the value of that privilege ought to be measured by the interest which the Government happens to pay to the Bank upon those securities?—It can only be measured by the securities upon which the notes are issued; those notes are

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of no value to the Bank when once they are issued, unless they return to them in deposits. Therefore, if they have been issued upon the Government debt or upon Government securities, and have passed from the power of the Bank, the profit made on the interest paid by those securities upon which they are issued is the whole profit upon the circulation; the rest of the profit must be the mere banking profit, namely, when the notes are returned to them in the shape of deposits.

357. As the rest of the profit must be a mere banking profit, you hold that the Government has no right to take cognizance of anything except the interest which it pays upon the securities?—All that I say is this, that the statement of the profit of the Bank upon the issue must be confined to the interest returned by the securities upon which the issue is made; the notes have then passed away from the power of the Bank, and they can only come back to the Bank in the shape of deposits, which is a mere private banking transaction; they may go to any other bankers instead of the Bank.—(Mr. *Neave*.) Allow me to make one observation with reference to the profit of issue. The amount charged for interest at 3 per cent. upon 14,000,000 *l*., admits of no deduction for any extra reserve that the Bank keeps in its hands. Supposing, for instance (as was the case in 1852), that the Bank keeps a reserve of 13,000,000 *l*., of course the privilege of issue as regards anything beyond the just proportion which our reserve will keep to our deposits is so much loss; and therefore in paying 3 per cent. upon that extra sum, of course it would be a loss to the Bank *pro tanto*, the Bank allowing 3 per cent. upon the whole 14,000,000 *l*.

358. (To Mr. *Weguelin*.) Can you state whether in computing the profits of issue any allowance was made under the Act for lost and missing notes; or do you consider that also as part of the banking business which ought not to enter into this computation?—I am not quite sure, but I think that does not come to the credit of the issue department. It is about 6,000 *l*. a year.

359. Will you have the kindness to look on to Question 140 of your former evidence, you will see there that the figures do not stand quite correctly. You state that after allowing 160,000 *l*. for expenses and 180,000 *l*. paid to the public, there is a profit of 80,000 *l*. exclusive of the profit upon bullion and foreign coin, which varies from 20,000 *l*. to 40,000 *l*. in a year. You say, "the net result, therefore, may be taken as varying between 80,000 *l*. and 120,000 *l*. a year." Should not that be between 100,000 *l*. and 120,000 *l*. a year?—That is, supposing that you always made a certain profit upon bullion and foreign coin, but if you made no profit upon the bullion and foreign coin, the net result would be 80,000 *l*. I think the figures are right, 80,000 *l*. exclusive of the profit upon bullion and foreign coin, which varies from 20,000 *l*. to 40,000 *l*. a year.

360. But if the profit upon the issue of notes is 80,000 *l*. and the minimum profit of bullion is 20,000 *l*., that gives us 100,000 *l*. as the minimum, and not 80,000 *l*.?—Yes, but that is a distinct profit from the issue of notes; the profit upon the issue of notes of 100,000 *l*. remains, whether it is 20,000 *l*. or whether it is 40,000 *l*., as the profit upon bullion and foreign coin. My object was only to point out that the profit from the issue of notes was 80,000 *l*., whether it was 20,000 *l*., or whether it was 40,000 *l*. from the bullion, That profit upon bullion and foreign coin is entirely irrespective of the issue of notes, and though it comes to the profit of the issue department, it is in reality not a profit contingent upon the issue of notes.

361. Is the profit upon bullion and foreign coin made up partly from the 1½*d*. an ounce allowed to the Bank, and partly from the profit, strictly mercantile, which the Bank makes in dealing in foreign coin?—The Bank buys gold at 77 *s*. 9 *d*., and it issues sovereigns at 77 *s*. 10½*d*. Of course it has to coin the bullion, and the loss by the time occupied in coining the bullion is expressed by the difference of 1½*d*. an ounce, which the public in general pay. They are better satisfied to pay that than for themselves to carry the gold to the Mint.

362. The public would lose by carrying their gold to the Mint, by reason of the time that it usually occupies to coin the gold, more than the 1½*d*. an ounce which is allowed to the Bank?—Yes, I think so.

363. When you say, in answer to Question 140, that the profit on bullion and foreign coin varies from 20,000 *l*. to 40,000 *l*. in a year, can you tell the Committee how that amount is made up; could you lay a statement before the Committee showing what are the items set down as profit, and what are the charges set against it?—Yes, we could lay a statement before the Committee of that particular department, showing the amount of bullion coined and the amount

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of coin sold, and the profit upon it, against which are to be set off the charges of the bullion department.

364. Combining together the answers to the three questions from 139 to 141, does it not appear that there are really, in strictness, three items of profit set down, one being the profit upon issue, strictly so called, which you take at 80,000*l.* a year; the second being the profit upon bullion and foreign coin, which you say varies between 20,000*l.* and 40,000*l.* a year; and the third being the profit upon the management of the public debt, which amounts to 123,000*l.* a year?—That is so.

365. With regard to the estimate of the expenses of issue, and the estimate of the expenses of managing the public debt, are those estimates made by the Bank alone, or are they estimates to which the Government are in any way parties?—I think that in several Parliamentary Papers the actual expenses are returned.

366. Are the estimates simply prepared by the Bank itself upon its own responsibility, or are the items to be charged, for instance, as expenses for managing the public debt, agreed upon between the Government and the Bank. Is the Government a party to the returns?—No, I think the Government do not interfere at all in the management of those departments. They accept, of course, the returns made by the Bank of the actual expenses.

367. Will you state what you consider to be the nature of the capacity in which the Bank manages the national debt, and whether you have had occasion to examine, and to form your own judgment upon, the effect of the various clauses in the Loan Acts that bear upon that matter?—Yes, I have had occasion to look into that question.

368. I think there is a clause in all the Loan Acts, or in most of them, under which in each particular Loan Act the Bank is constituted a corporation until the loan is paid off?—That is so.

369. Have you considered the intention or the effect of that clause with respect to the position of the Bank?—My view of that clause is that it was intended by the Legislature to make the Bank, in a measure, trustees between the State and the public creditor.

370. That appears to you to be a fair inference from the insertion of a clause of that nature in the contracts between the State and the public creditor?—I think so.

371. Is it easy to give any other construction to that clause, or to show upon any other supposition any natural connexion between the fact of the public making a loan and the provision in the Act of Parliament that the Bank shall be a corporation until that particular loan is paid off?—I am not able to infer anything else than that.

372. Can you state how long the incorporation of the Bank is likely to last under those clauses?—As long as the national debt, I presume.

373. Would it appear to be the result of that clause in each of the Loan Acts that the Bank must, by that statutory engagement of Parliament, retain its corporate capacity until the whole of the national debt contracted under those Acts has been liquidated or reconstituted?—I think that is the effect of that clause in the Loan Acts. I would even go further; I do not think it would be competent to Parliament—but of course I suppose Parliament can do anything—but it appears to me that it is hardly competent for Parliament to deal with that clause, unless with the consent of the public creditor.

374. Parliament might deal with the clause, might it not, with perfect good faith, in the way of paying off the national debt, or any part of it, as was done, for example, in 1844, constituting a new stock independent of that clause?—Assuredly.

375. When we look back to the history of the first formation of the Bank, and the infancy of the national debt, does it appear at all an improbable supposition that it should be the intention of the Legislature to give the security of the Bank to the public creditor as a better security than any other that the Legislature of those times, when public credit was not generally well understood, could give him?—I think that might be the origin of the clause.

376. Then again, with respect to provision in the Loan Acts as to the mode of paying the dividends by passing a certain sum into the hands of the Bank, to be by the Bank dispersed to the public creditor, do you put the same construction upon that clause?—I do.

377. So as to make the Bank a trustee for the public creditor, not a mere agent of the State, in the management of the debt, but in the payment of the dividends,

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dividends, offers its own security to the public creditor over and above that of the State?—That is an inference which may be drawn, I think, from those clauses taken together.

378. Looking now, not to the former history of the clause and its original intention, but to the circumstances of the present day, to the enormous magnitude of the national debt, and to the development of the system of public credit, and of the principle of public faith within the last century and a half, do you think it still desirable (not entering into the question for the moment how far we are fettered by engagements) that that idea should be maintained, namely, that over and above the faith of the Legislature, the Bank is to offer its securities to the public creditor?—I think it is not necessary at the present day.

379. You think it would be better, if we had a *tabula rasa*, that the Bank should appear as the simple agent of the State in the management of the public debt?—I think there would be little to be gained by such a new arrangement; but I should see no objection to it if there were a *tabula rasa*.

380. If you were starting afresh, and you had no enactment at all upon the subject, which of the two plans would you take?—I think the natural plan would be, that the Bank should act merely as agent for the Government.

381. You have stated that you consider that the incorporation of the Bank rests upon Parliamentary contract, until the whole of the present national debt has been paid off; do you consider that the money contract as to the price to be paid to the Bank by the public rests upon the same foundation, and is of a character equally permanent?—I do.

382. *Chairman.*] Do you consider that the provision in the Loan Acts, that the Bank of England shall continue a corporation until the debt which is the subject of that Loan Act is paid off, is intended in any way to give a privilege to the Bank of England, or to be of any advantage to the Bank of England?—No; I think it is of no advantage to the Bank, except in connexion with the sum paid to it for the management of the public debt.

383. May we not rather suppose that the object of the clause was to give to the public creditor an idea of security, by creating a perpetual corporation to which he could look for the payment of his dividends?—I have no doubt that was the intention of the clause at its origin; and it has also, I believe, this legal effect, namely, that there is a much more ready legal remedy against the Bank than there would be against the Government in case of default.

384. Might not the Bank, consistently with that provision of the Loan Act, be stripped of all its other privileges, and cease even to be a bank of issue, or to receive deposits, and be merely a corporation for the payment of the dividends upon any particular loan?—I think so.

385. With regard to the question of the Bank of England giving additional security to the public for the payment of the dividends, do you understand that, under any circumstances, the Bank of England would be bound to pay the dividends, if the Government did not furnish it with the funds for the purpose?—No.

386. Then in what sense can it be said that the Bank of England gives any additional security to the public for the payment of the dividends?—It gives no other security, except that at a particular period it is supposed that the Government places in its hands an amount sufficient to pay those dividends.

387. Does that in any way pledge the credit of the Bank, or can it be said with correctness that the Bank gives any additional security for the payment of the dividends?—No, I conceive none; it was a voluntary engagement on the part of the State towards the public creditor, that they would, on a certain day, place in the hands of the Bank a sum sufficient to pay the dividends; and the Bank would therefore feel itself in a position, if the engagement was not carried out according to the provisions of those Acts, to say that the engagement between the State and the public creditor had not been carried out strictly according to the clause in the Act.

388. Is there any conceivable contingency in which the Bank of England would be liable to pay one shilling to the public creditor for his dividend, except so far as the funds were furnished to the Bank by the Government?—That is an abstruse legal point; but I believe that if the Government were not to issue the whole amount of the dividends to the Bank on a particular day, and the Bank were to commence to pay the dividends, and were to pay a certain number of stock-holders, and the Government then were to make default, and not to pay the remainder, the Bank would be bound to pay the remainder to the stock-holders. But it is a case, of course, which is not at all likely to occur.

389. Mr.

389. Mr. *Gladstone.*] Supposing on the other hand, as we are putting extreme cases, the entire failure of the Bank of England; do you think that the obligations of the State to the public creditor would be in the slightest degree weakened because the Bank, after the money had been placed to the Audit Roll account, had failed to apply it to the benefit of the public creditor; would not the obligation of the State towards the public creditor evidently remain entire?—I doubt that, the obligation of the Government under the Loan Act being simply confined to the engagement of the Government to pay to the first cashier of the Bank the dividends on a given day in the quarter.

390. If it were possible that the Bank should disappear with the whole of that money in its possession, are you not of opinion that the obligation of the State to the public creditor would still remain entire, and that the State would still be bound to find the money?—I think that the Government would have fulfilled its obligation towards the public creditor.

391. And if the Bank were to become bankrupt after receiving the money, it would be enough for the State to say, we paid the money to the Bank, which ought to have satisfied the public creditor?—I think that is the case. Of course I am merely giving an opinion without immediate reference to the Acts of Parliament, but I believe that would be found to be the case.

392. Is much inconvenience experienced from the great accumulation of the payments by the Government upon certain points in the course of the year, namely, the four quarterly points?—There is no inconvenience which I think can be avoided.

393. Do not you consider the having a high water and a low water in the money market four times a year, independently of the action of the fluctuations of commerce simply in connexion with the ordinary or recurring wants of the Government, to be a great inconvenience, without asking at the moment whether it is remediable or not?—It has the effect of giving in the quarter a certain amount of power over the money market into the hands of the Bank, and as far as the management of the Bank as connected with those results is concerned, it is more convenient and advantageous to the Bank, than if the accumulation, for instance, were immediately distributed by the Government in the payment of the dividends, say once a month, or anything of that kind.

394. If the whole payment of the Government were distributed equably over, each of the twelve months of the year, would not the power of the Bank over its reserve be less than it now is?—Yes.

395. But setting aside the question of the power of the Bank over its reserve, would the convenience of the commerce of the country be promoted by that alteration?—I do not think it would make any difference to the commerce of the country.

396. Does it not produce to a certain extent what may be called an artificial scarcity of money to have the funds of the Government distributed, as they are now, at four seasons of the year, and not equably over the whole year?—Of course it accumulates the deposits in the hands of the Bank, which deposits must be again lent out, otherwise the market in times of scarcity of money would be inconvenienced. The Bank has always followed that course of lending out those deposits.

397. Is not the value of the State to the Bank, as a customer, very much less in consequence of the manner in which the public payments are concentrated upon four points in the year; if you had an equable influx and efflux of money upon the public account, throughout all the months of the year, the totals remaining the same, would not the value of the account to you as bankers be much greater?—I am hardly prepared to answer that question; I doubt very much whether it would make any material difference to the Bank.

398. The Bank, you say, does adopt particular and special measures for the purpose of meeting the inconvenience to which the commercial world would be subject by the great accumulation of deposits towards the close of the quarter?—Yes, it is in the habit of lending money until the payment of the dividends. It lends money upon stock, and even upon long bills having six months to run, during the latter half quarter, when the public deposits accumulate, until the payment of the dividends, when the loans fall due.

399. Is that a complete remedy; do you think that removes the whole inconvenience which would otherwise be felt from the accumulation?—I think it does.

400. You are not prepared to say that the public account would be much more valuable to you, as bankers, if the monthly influx and efflux of the public monies

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monies were equalised throughout the year?—I do not think the value would be materially different.

401. Does it happen to be within your knowledge that, irrespective of the payments on account of the public debt and the Consolidated Fund charges, a custom has grown up with reference to the supply charges, under which the payments of the Exchequer, those which are wholly within its own control, are much larger just at the end and at the commencement of each quarter than they ordinarily are?—No doubt that affects our reserve, and our power, therefore, of lending money, in the same way as the payments of the dividends; we always notice in the last two weeks of each quarter a great increase of the active circulation, which we attribute (I do not know whether rightly or not) to the payment of the various supply charges by Government, the salaries and other things; and it is owing probably also to similar payments by private persons.

402. Looking simply at the question of the supply charges, do you think it would be for the convenience of the commercial public that those supply charges should be more equably distributed, instead of being accumulated as they are at present upon certain points of time, or do you look upon that as immaterial?—I look upon that as not very material or important. It, no doubt, affects the reserve, inasmuch as those payments affect the active circulation, and the active circulation of notes is principally used in the retail transactions of the country. There may be large commercial transactions entirely irrespective of the active circulation. Thus the payment of the dividends increases our circulation to the extent of 2,000,000 *l.* to 2,500,000 *l.*, that is to say, including the payment of those supply charges which have been noticed, which circulation comes back into the hands of the Bank by driblets in the course of the quarter. And I infer from that action, that in point of fact the notes in the hands of the public, which are used for the purposes of retail transactions, are gradually disbursed by the public, and then gradually find their way into the hands of the bankers, and so find their way back to the Bank of England.

403. But you see no inconvenience in your being liable to that sharp diminution of your reserve four times in a year in connexion with the payment of the dividends, and the accumulation of Government charges upon those four particular points of time?—As far as the Bank is concerned, we, knowing the action which the active circulation takes upon those occasions, are enabled to appreciate its effect, and therefore it is no inconvenience to us; but it does occasionally lead to wrong inferences on the part of the public.

404. Looking back to the period of October 1847, do you think that at that period this arrangement with respect to the public disbursements had the effect of very much sharpening the crisis, by leading within a very short time to a heavy diminution of your reserve, which at that time was so low that so sudden a diminution tended very greatly, if not exclusively, to excite public alarm?—I think that was the case.

405. Would not that evil have been very materially mitigated if the public payments had been more equably distributed?—I think it is likely.

406. Can you describe by what rule the division of your deposits as between public and private is regulated; what is it that constitutes a public deposit in the sense of the Bank of England, and what constitutes a private deposit?—The public deposits are those that deal with the public monies; the private deposits are those that do not deal with public monies.

407. Still is it not the fact that there are a good many deposits which are of a mixed character, and with respect to which it is not at first sight demonstrably clear whether they ought to stand as public or as private deposits?—That is so; I have stated it in my former evidence.

408. By what authority is it determined whether an account shall stand as a public or a private account?—I think we have directions from the Treasury.

409. How are those directions given; is the whole subject examined every year by the Treasury, and any definite settlement come to as to what accounts shall be considered private and what accounts shall be considered public?—I do not think that any definitive arrangement exists upon that point; we, I think, follow the directions of the Treasury; we occasionally make returns of public accounts; there is a list of them in my evidence, under Question 155.

410. Whenever you receive directions from the Treasury to place any particular account as a public account, you do so?—Yes, of course.

411. Does the Audit Roll stand as a public or a private account?—I do not see it in the list of public accounts.

412. You

412. You presume that it stands as a private account?—I presume it does.

413. Do you find in that list the registrar of the High Court of Admiralty?—I do not see it in this list. That account must come under the category mentioned in the following question, of accounts of a mixed character. amounting to between 400,000*l.* and 500,000*l.*, to which I answer that they bear a different character, and are often in the names of individuals; and it is not very easy for the Bank to distinguish whether they are public or private accounts.

414. You do not happen to be aware, as a matter of fact, how that account stands at the Bank; whether it stands as a private or as a public account?—It is, I believe, a private account; it stands, I presume, in that category which is mentioned in my evidence as being of a mixed character.

415. In your weekly returns of deposits how do you treat those accounts of a mixed character: do they go into the public or into the private deposits?—Into the public deposits. I will give you a list of the private deposits: bankers, the Bank of Ireland, the East India Company, Chancery, Bankruptcy, and other deposits. I do not know what those other deposits are; I conceive that they must be private deposits.

416. Will you turn to your weekly form of returns presented under the Bank Act of 1844, and advert to the manner in which the deposits are there classified, partly as "public deposits" and partly as "other deposits." Do you suppose that the accounts which you describe as accounts of a mixed character are included under the head of "other deposits"?—The public deposits are specified in the Act. They include Exchequer accounts, Savings Banks, Commissioners of the National Debt and dividend accounts. Then "other deposits" must include all other deposits.

417. Did I rightly understand you to say that you do not consider yourself precluded by the Act from classifying as "public deposits," under the instructions of the Government, other accounts besides those which are enumerated in the Act?—I think that is so.

418. You do not understand the directory provision of the Act as one which is to be interpreted exclusively?—I think it is to give the public information with regard to the classes of the accounts, but not as affecting the relations of the Government with the Bank.

419. It appears from the information which you have given to the Committee from your own materials, that neither the Chancery account nor the Bankruptcy account stand as public deposits.

420. Are you aware whether, at a former period, the Chancery account used to be reckoned as a public deposit?—I am not aware of that.

421. You do not consider that the Bank is responsible for the division as it is now made between public and private accounts, but you think that is a matter rather resting with the Government?—We regard it as a matter entirely resting with the Government. They give us instructions with regard to the public monies, and with regard to the accounts under which they shall be classed, and we follow their instructions implicitly; but as regards publication, that, I think, is made with a different view altogether; it is for the purpose of informing the public what the deposits are, and of what class and description they are, and I think that has no reference whatever to the relations of the Government with the Bank.

422. The balances upon the Chancery account are sometimes very large, are they not?—They have been at times; for instance, there was a great accumulation of deposits on the Chancery account at the time of the great railway furore. There was a provision at that time that a certain amount of the subscribed capital should be deposited in the Court of Chancery.

423. Irrespectively of circumstances so extraordinary as that, are not the Chancery balances usually very large?—They amount to an average of about from 300,000*l.* to 500,000*l.*

424. With considerable variations upwards and downwards?—They do not vary very much now. I think, in 1856, the Chancery account was down to 72,000*l.*; indeed, upon one occasion I remember it was overdrawn. During the whole of the quarter from October to December 1856, it never rose higher than 234,000*l.*; and in the previous quarter the highest amount for one week was 849,000*l.* It then went down to 70,000*l.*, and even down to 45,000*l.*

425. Do you happen to know the present balance on the Chancery account?—I do not know what the present balance is, but I should think it is something between 300,000*l.* and 500,000*l.*

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426. Will you have the goodness to inquire for the Committee whether the Registrar of the High Court of Admiralty has an account with the Bank of England; and if so, whether it stands as a public account, or as an account other than public?—I will do so.

427. Will you refer to Question 156 of your former evidence, where you are asked whether there is not another class of accounts of a mixed character amounting to between 400,000*l.* and 500,000*l.* Could you produce for the Committee a statement of all the accounts of a mixed character, with the balances standing to their credit at some given date, choosing such a date as would be most convenient?—That shall be furnished to the Committee at the next sitting. We will look through the accounts, and endeavour to take such periods as will give a fair account.

428. Mr. *Glyn.*] On the Bankruptcy account do not you charge a commission?—I am not aware of that; I will inquire.

429. Mr. *Ricardo.*] Are all the accounts mentioned in the answer to Question 155 included in the published accounts as public deposits?—I think we cannot exactly draw any inference from the published accounts, as they are expressly limited to certain accounts; Exchequer accounts, Savings Banks, Commissioners' of National Debt, and Dividend accounts.

430. Mr. *Gladstone.*] Are you able to tell the Committee positively that the weekly returns published by the Bank only include the items specified in the return itself, as public deposits, and nothing else?—I think so. If the Committee would be satisfied with the accounts of a mixed character, mentioned in my evidence in answer to Question 156, I think I could furnish a statement of the balances upon those accounts at any certain date.

431. *Chairman.*] Will you have the goodness to make for the Committee, at their next meeting, the fullest return that you think it expedient to make?—I will do so. We shall be ready at the next meeting of the Committee to furnish a list of all those amounts; we shall include in it anything that we have any idea to be an account dealing with public money.

432. Mr. *Gladstone.*] With respect to the management of the national debt; you have stated to the Committee that you consider the remuneration of the Bank, in reference to the management of the debt, to be matter of statutory contract; is it not also the fact that there are at the Bank of England immense establishments carried out with very great detail, connected with the management of the national debt, which no other body in the country would be at present well qualified to undertake?—In the mode in which the public debt of this country is managed, I think no other public body at this moment is qualified to undertake it. Unless you were to make a decided change in the management of the public debt, you could not very well do the business much more cheaply than the Bank of England is enabled to do it. Of course, if you were to make great changes, such as the introduction of the French or the foreign mode of paying dividends and transferring stock, it might be made more economical; but that would involve a radical change in the nature of the security, and it would be no longer stock; you would have to issue certificates for the stock and coupons for the dividends.

433. In France that business is transacted all over the country through the medium of Government officers, is it not?—Yes, the sale of stock is transacted in Paris by public officers. The Receivers-general undertake to do it for the account of persons resident in their district.

434. Looking at the other functions of the Bank of England as the agent of the State in the matter of issue, and likewise as bankers to the public, is it not the fact that the position of the Bank of England is not quite the same that it was 20 or 30 years ago; that is to say, in regard to the circumstance that there are now powerful bodies in existence holding very large amounts of deposits, and that it is quite conceivable that combinations might be formed able to undertake the transaction of the public business with perfect security to the State independently of the Bank of England?—There is no public body that I am aware of that offers the same security to the State that the Bank of England does. The large capital of the Bank of England offers a security which no other public body can at present offer. The fact that a number of those new banks have large liabilities in the shape of deposits cannot be said to offer a greater security to the public; on the contrary, there is diminished security on that account, inasmuch as any further Government business that they would undertake

take would be a still further liability in addition to the great mass which they have already.

435. Is it your opinion that it would be either impracticable or very difficult to arrange for the keeping of the public monies by any agency of any existing body or combination of bodies, other than the Bank of England, with perfect security to the State?—I conceive that the security would not be equal to what it is at present.

436. You think it would be impracticable to make arrangements of that kind with perfect security?—The question of security of course is a question of comparison. You cannot compare the security of a bank which has 1,000,000 *l.* of capital and 14,000,000 *l.* of deposits, with the security of a bank that has 19,000,000 *l.* of capital and 14,000,000 *l.* of deposits.

437. And therefore, keeping your attention closely to the words "perfect security," you do not see any means of making any arrangement for keeping the public monies with perfect security, except through the medium of the agency of the Bank of England?—I think that any change would be attended with diminished security to the public.

438. Mr. *Tite.*] With reference to the changes which the Bank of England has from time to time made in the rate of discount, at page 5 of your former evidence, in Question 32, you were asked, "Will you state generally the considerations by which you have been guided in making those changes?" Your answer is, "The consideration which has chiefly induced us to make those changes has been the demand for bullion." The next question is, "In other words, under the former law you would have looked to your liabilities with regard both to the circulation, and also to the deposits, but under the present law you have looked exclusively to your reserve?" Your answer is, "Yes; the reserve." Which of those answers is the one to which you would adhere. Do you look exclusively to the reserve, or are there other considerations that enter into the question?—The previous answer shows that the reserve is affected by the demand for bullion, which governs the action of the Bank.

439. And no other consideration. You say, "The consideration which has chiefly induced us to make those changes, has been the demand for bullion." Is that the only consideration?—What governs our action is the state of the reserve, and the mode by which the reserve is affected.

440. Then your second answer is accurate, that you look exclusively to the reserve?—The reserve is only affected by the demand for bullion, and therefore the two answers are consistent; there is no opposition between them.

441. With regard to the *modus operandi*, the reduction of the rate of interest, in one part of your answer you state that the governor had ordered it, and in another, that it is considered at the Court. What is the power which the governor has in that particular?—The governor has the power to fix the rate of interest from day to day,—of course reporting to the Court of Directors what action he has taken. The governor has power to deal with the securities of the Bank in the intervals between the Court days.

442. And to change the rate of interest from day to day?—Yes.

443. Then in fact, its being usually done on the Thursday is a mere matter of personal arrangement or convenience to the governor himself?—It is a matter affecting the responsibility of the governor, who naturally does not wish to incur the responsibility alone; unless he has very strong reasons for so doing, he would rather that it should be the action of the Court than his individual act.

444. Then at the Thursday's Court can this state of things happen, that the mere casting vote of the governor would determine whether the rate of interest should be raised or lowered?—Certainly.

445. It would be determined by the judgment of the majority?—Yes.

446. Will you be good enough to refer to a passage in Mr. Cotton's letter, in page 7 of the Appendix, No. 1, with respect to the constitution of the Court. He says, "It would be desirable that so many members of the directors should not go out by rotation, as it makes too great a change in the members of the Court at every election;" will you be good enough to state what is the course now?—The course by the charter is, that there shall be one-third new directors every year.

447. What becomes of those who go out?—They remain out till the rotation comes round again, when they come in again in the following year.

448. Does that exclusion apply as well to the governor and deputy-governor as

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as to the others?—The governor and deputy-governor are not considered in the light of directors; there are 24 directors and two governors; there must be eight new directors every year; but the governor and deputy-governor remain in two years each.

449. In point of fact, does any change actually take place in the 24, except changes by death and other accidental circumstances; do the eight who go out, simply wait till the expiration of the year, and then come in again?—There are in fact 32 directors, of whom eight are out by rotation.

450. And, unless any accidental circumstances prevent, they are always re-elected, or rather recommended for election?—Yes.

451. Do you agree in that opinion of Mr. Cotton's?—I may state that the Court of Directors have passed a resolution to the effect, that they do not think it desirable that so many directors should go out; I think they would limit the number to one-sixth. I think I put into the hands of the Chancellor of the Exchequer that resolution of the Court, saying, that in case of any change being made in the law, the Bank Court thought it desirable that only one-sixth should go out by rotation.

452. That is not a change of principle, but merely a change of detail?—A change in the number.

453. Do you think that change desirable yourself?—I have no particular opinion upon the matter; I do not think it is a matter of very great importance whether there are four or eight.

454. With regard to the constitution of the Bank Court in all other respects, does any suggestion occur to your own mind; is there any change which you think desirable with a view to its improvement, or do you think that it works well and efficiently?—I think it does; I know no alteration that would be really an improvement in its working.

455. The change which you have just mentioned is the only one which the Bank Court itself suggests. They do not suggest any change in the rotation of the chairs, as to the term being longer or shorter?—No, it is already a great tax upon any director who undertakes the chair of the Bank. He has to devote four years almost exclusively to the management of the affairs of the Bank, two years as deputy-governor and two years as governor. You can hardly, under the present constitution of the Bank, ask an individual director to undertake a longer period of service than that.

456. Do you think that any other constitution would work so well, or better; such as that of the Bank of France, for instance, which has a permanent governor?—I think that with that plan you would very likely not have the same class of men as directors.

457. Then, in point of fact, you have no change to suggest except that one of reducing the rotation from 8 to 6, or to 4?—That is all.

458. *Chairman.*] Do you remember that Mr. Tooke, in his recent publications on the Bank question, attaches some importance to an alteration in the constitution of the Court of Directors?—Yes, I remember that he does.

459. Have you considered the arguments that he uses?—Yes; I do not consider them of great validity. He wishes, if I recollect right, that there should be a third governor.

460. As far as I remember, the object of Mr. Tooke's recommendations is to give greater stability to the administration of the Bank, and to diminish the fluctuation which is created by the present rules of rotation. Do you think that there is anything in that view?—I think that is his object, but I do not think that the means that he suggests will attain it.

461. Sir *James Graham.*] With respect to the weekly accounts rendered by the Bank of England, and published and gazetted under the Act of 1844, how close is the account brought up, in point of fact, to the transactions of the day?—It is brought up to the Saturday previous to the Friday's Gazette in which the accounts are published.

462. Then, between the publication and the closing of the accounts which are published, there is an interval of about a week?—Four days; Monday, Tuesday, Wednesday, and Thursday. The account is published on the Friday, up to the Saturday previous.

463. Could it not be brought down closer than that, without inconvenience to the Bank?—I have made inquiry upon the subject, and I think it might be brought

brought up to the Wednesday night, provided the Gazette is not published before two o'clock or three o'clock on the Friday afternoon.

464. There would be no inconvenience to the Bank in bringing it closer to the period of publication?—None. We require an interval of a day in order to get the account from the branches, and it requires, of course, a morning to arrange the accounts in time to send them up for publication, which, as the form would be already set up, would be very easily done in Friday night's Gazette.

465. If there would be no objection on the part of the Bank, would it not be more satisfactory and useful to the public to have the most recent information of the exact state of the account?—I think it would, but we act under the orders of the Commissioners of Stamps and Taxes. Under the present law they can direct us to furnish the accounts up to any given day; they have directed us to furnish the account up to Saturday, but we are not able to furnish that till Tuesday in the middle of the day, we having to send that account to the Commissioners first of all, and from them again it has to be transmitted to the "Gazette." That has caused the publication to be deferred till the Friday, but as far as the Bank is concerned, the accounts are delivered in time for publication in Tuesday night's Gazette.

466. If the machinery could be adjusted so as to make the publication more coincident in point of time with the close of the account for the week, do you think it would be desirable to effect that change?—The Bank of England would not desire to have the accounts published before they had had an opportunity of coming to any decision upon them. For instance, it would not be advisable that we should publish on the Tuesday the accounts of the Saturday, when the Bank Court assembles only on the Thursday.

467. Mr. *Wilson.*] Supposing you were to adopt the plan you suggested just now, of making up your accounts in London on the Wednesday night, you might then have your country branch accounts transmitted by the post of that night, so that you would have them in London on the Thursday morning, and you could make out your account on the Thursday morning in time to lay it before the court on that day. Then, after the court had separated, you could transmit it to the commissioners of stamps and taxes, and then it could be published in the Gazette on the Friday evening, as it is at present?—That is what we propose to do.

468. So that the account will come down to Wednesday night for the whole country?—That is what we propose to do. It would be called the Wednesday night's account.

469. As the "London Gazette" is not published till six or seven o'clock on Friday evening, there would be no difficulty in furnishing the printer with those accounts in sufficient time; say, by two o'clock on Friday?—That might be done.

470. Sir *James Graham.*] There would then be only an interval of 24 hours between the account and its publication, instead of six days, as it is now?—There would be only the interval of Thursday.

471. In a time of uneasiness, would it not be very satisfactory to the public, so to shorten the period, and to enable them to know, up to a very recent point, what is the exact state of the reserve of the bullion?—Yes, I think that would be an advantage to the public; I think that they would see more nearly the action of the Bank. But I must notice this: that the Wednesday's accounts, owing to the fluctuation there is in the circulation, are almost invariably more favourable, as far as the Bank's reserve is concerned, than the Saturday accounts.

472. When the account was published, the public would make allowance for that?—Yes.

473. Mr. *Wilson.*] Has not considerable inconvenience been experienced in this respect lately; for example, a few weeks ago, suddenly the Bank of England raised their rate of interest 1 per cent. on Thursday, by which the public were all taken by surprise, because the preceding accounts (which, under the present system, came down only to the preceding Saturday week) indicated no such diminution in the amount of bullion as would account for the sudden change which was then made in the rate of interest. Now, if you had had that account brought down so much closer, the public would have been prepared for it; therefore the panic of the moment would have been saved, and the public feelings altogether would have been better consulted?—Not exactly in that case; for

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for that diminution of bullion took place within the week; and therefore if the Wednesday's accounts had been published, still the action of the Bank must have been the same on the Thursday, and the public would have been equally ignorant of it.

474. But still the longer the margin the greater is the risk of changes taking place, of which the public are not aware?—Certainly.

475. *Chairman.*] You are doubtless aware that an impression prevails at present on the part of many persons that the Bank of England have the power of arbitrarily determining the rate of discount; and that whatever they fix as the rate of discount is followed by the private discounters. Is that a doctrine to which you accede?—Certainly not; the Bank of England has a limited power over the money market during certain periods of the quarter, when public balances are accumulating, and when there is no money to be had except at the Bank of England. Then it has a certain power of raising the rate of interest, but that again finds its level the moment the public monies come out in the shape of dividends.

476. Do you believe that the rate of discount is fixed by the competition in the market, and that in fixing a certain amount for their own discounts the Bank follow and do not lead?—They invariably follow in a decline of the rate of discount; and I should say also they practically follow in a rise; but there is no doubt that the Bank, when there is a rise in the rate of discount, has a greater power over the money market of fixing the rate of interest for a short period, than it has in the case of a decline in the rate.

477. Mr. *Gladstone.*] Is the Committee to understand that the power of the Bank of England of determining the course of other parties with reference to the rate of discount is much greater towards the close of the quarter than it is at other times?—Yes, I think it is.

478. Was that the increased power of the Bank over its reserve to which you alluded some little time ago, with reference to the unequal distribution of public payments at different periods of the year?—That is what I referred to.

479. *Chairman.*] But still, while the Bank sometimes raises the rate of discount, private discounters often charge higher rates than the Bank?—Yes; generally speaking, when money is scarce, the private discounters or discount brokers have to come to the Bank of England, and they must charge a higher rate in order to make a profit by the transaction.

480. What do you conceive to be the principal circumstances which determine the market rate of discount as distinguished from the market rate of interest for fixed securities?—The market rate of discount is the price you pay for a deferred payment. The rate of interest is for a permanent annuity. The two things in my view are of a totally different character. In the one case you engage to pay back the money at a certain short period; and in the other case you engage merely to pay the money annually, extending over, perhaps, a considerable portion of time. The one, therefore, has to do with floating capital, and the other may be of a permanent character.

481. Is not the rate of discount principally determined by the relation which the floating capital of the country bears to the amount of the advances upon mercantile paper at any given moment?—I think that is so.

482. That being the case, can it be conceived that the Bank of England can have any great power, taking any considerable period of time, over the rates of discount?—No, it has no other power than what is given to it by the state of the floating capital of the country, and the portion which the Bank itself holds.

483. Does it not sometimes happen that the rates of discount vary and fluctuate without any reference to the price of consols, for instance, or the rate of interest upon money lent on mortgage?—Certainly, without any reference or with very small reference to those.

484. Then, when it is said that the Bank of England have a power over the rate of interest, all that is meant in fact is, that it may, to a certain extent, influence the rate of discount?—That is all; the Bank has no power over the rate of interest.

485. But even with regard to the rate of discount, your opinion is, that the influence of the Bank is very limited, and that, in fact, the rate is principally fixed by competition in the market?—Yes, I think that is the case; the competition in the market being governed by the amount of floating capital at the time applicable to that particular transaction.

486. Mr. *Cayley*.] So that you would say, that the rate of interest, or the rate of discount, depends upon the state of the reserve?—The Bank, of course, charges a certain rate of interest, depending upon the state of its reserve.

487. When the reserve is considerably reduced, or begins to be reduced, they raise the rate?—Yes.

488. Does not the Bank under those circumstances precede the rate which bankers and discount houses charge?—I think it will be found practically that the market rate has always risen higher than the Bank rate.

489. Is it not a fact, that the London bankers for instance, follow the Bank in raising their rates, as a general rule?—They follow the market rate; they do not follow the Bank.

490. Is not it the fact, that the London banks generally allow a rate of interest upon deposits, for instance, bearing a certain proportion to the Bank rates?—I believe the rule with Joint-stock Banks that allow interest upon deposits, is to allow interest of 1 per cent. per annum below the Bank rate of charge.

491. Then the private banks and the joint stock banks, in point of fact, follow the rate which the Bank has prescribed?—They follow the rate charged by the Bank, as the rate of discount.

492. Do they ever anticipate the Bank in the rate charged for money?—Yes; they constantly anticipate the action of the Bank; they do not bind themselves to it.

493. I am speaking now of the general practice; do not the bill brokers and the banks generally alter their rate just as the Bank alters?—No. When the Bank as holding the reserve of the country, which is being acted upon by the demand for floating capital, is in such a position as to be able to prescribe its terms for the loans which it makes, then in point of fact the market rate and the Bank's terms become identical. If, therefore, a discounter or a banker requires money from the Bank of England under those circumstances, they must guide themselves by the Bank rate in order to make any profit by the transaction.

494. Then do you mean to say that the private and the Joint Stock Banks in London, and the discount brokers, make no alteration in their rates immediately after there is a change in the rate declared by the Bank of England?—Certainly, they always do, because they look upon the Bank rate as the index of the market rate.

495. I asked you before if they ever anticipated the Bank in raising the rate: can you give any instances of their doing so?—I think that is a daily occurrence; the bankers anticipate the action of the Bank. They raise their demands sometimes before the Bank has raised the rate of interest, and they often lower the rate of interest before the Bank has lowered its rate.

496. But as a general rule do they?—I think that as a general rule there is so active a competition amongst the bankers, happily that when there is an abundance of capital they are always anxious to lend it. If one bank in Lombard-street will not lend at a certain rate, probably another may be found that will, without reference to the Bank rate of charge at the time.

497. Did you ever know such a case as this to happen, that the Bank, knowing what the state of the reserve would be a week hence before the publication, and knowing that the result would be very favourable, yet have not determined upon a fall in the rate of discount, and that yet the Private and Joint Stock Banks and the brokers generally, in such a state of things, have anticipated that fall of interest?—Yes, constantly.

498. As a general rule have you known that to happen?—Constantly.

499. Mr. *Glyn*.] Do not you often find a very large demand upon your reserve, in consequence of the pressure upon the money market, and the bill brokers sending to the Bank of England to take a large quantity of notes before you make up your minds to raise the rate of discount?—That they constantly do; not that it affects our reserve, because the money generally comes back in the shape of deposits, but it no doubt affects the demands upon us most materially; the bill brokers find that there is a scarcity of money in the market, and there is a great demand for it, and they anticipate consequently that the rate of the Bank of England will rise, and they send in very large amounts for discount.

500. Mr. *Cayley*.] But that is in expectation of your reserve being affected?—Not materially so. The Bank of England reserve is not always affected by the demands upon us for discounts. It is affected if those demands upon us for discount, when satisfied, are used for the purposes of exporting bullion; but very large

large transactions may take place; for instance, the Bank may discount a million and a half in a day, and that is done constantly, without its reserve being in the slightest degree affected, the notes coming back again as deposits, and no other alteration taking place than the mere transfer from one account to another. If, however, the power given to the discounters is used for the purpose of taking gold from the Bank and exporting it, or for the purposes of internal circulation, that it is which affects the reserve of the Bank.

501. You have spoken of floating capital; will you define exactly what you mean by "floating capital"?—It is capital applicable to loans of money for short periods.

502. Do you mean Bank of England notes?—Bank of England notes and other kinds of circulation in the country; for instance, the country banks circulation, and the amount of coin which is in the country.

503. It does not appear from the Returns before the Committee that there is any very great variation in the active circulation, if by floating capital you mean active circulation?—I include in floating capital the reserves of the bankers, in which there is a considerable fluctuation. The active circulation fluctuates within certain limits too, but the reserve of the Bank fluctuates considerably.

503.* The floating capital that is lost then is only bullion, your reserve depending upon that?—Yes, bullion.

504. You have stated that your system of correcting an adverse exchange by shortening the term of bills, is, in your opinion, preferable to raising the rate of discount, your object being to preserve a more uniform rate by bills having less time to run. Is that so?—I prefer rather the action of a differential rate; by that means limiting the terms of the bills discounted rather than raising the rate of interest upon all bills having 95 days to run, to what may be called an exorbitant rate.

505. I understood you to say that, with a view of checking imports, which is the desideratum, your notion was that it was a better way to act upon the imports by means of curtailing the period for which bills have to run than by raising the rate of interest?—I think it is a more effective method.

506. Would you act in both ways, or only in one?—The action of the Bank has been of a mixed character rather; they act both by raising the rate and by restricting the terms for which they would make the loans.

507. Do you believe that if your views were acted upon, that action would be efficient for the purpose of causing the rate of interest of bills having short periods to run to remain uniform?—I think it would; but the rate of interest upon all longer bills than those which the Bank took would, of course, be very considerably raised by that.

508. That action would operate principally, if not entirely, upon the foreign trade of the country?—It is that which affects the exchanges.

509. Whereas the other system of raising the rate of discount operates upon the whole trade of the country?—No doubt.

510. Then there would be that advantage in your system if it was efficient for the purpose, that it would, in fact, check the evil where the evil sprang with the foreign trade rather than spread it over the whole community which is not connected with the foreign trade?—I think the general rate of interest would rise. It would also, in my opinion, have the effect upon the internal trade of shortening credits, and thereby limiting the accommodation which the internal trade would obtain, unless they chose to pay very much higher rates of interest. My preference for that system is because it has the effect of shortening credits; I know of no other mode of getting out of a monetary difficulty, when it is consequent, as it almost invariably is, upon an inflation of credit, than such a measure as will gradually and effectually shorten credits and bring matters nearer to money payment.

511. Has there been any inflation of credit the last three or four years?—During the last three or four years the money market has been affected by rather abnormal causes, namely, the demands made upon it by the Government for the purposes of the war. The Government in that respect stand in a different position from individuals; they come into the market for loans, which they raise at a rate which has no affinity to the rate of discount charged by the Bank, and they are enabled by that means to obtain a power over the money market which, of course, they use for the purpose of paying the troops, or, in fact, of exporting

exporting treasure. Now over that state of things the Bank has no control whatever. No raising of the rate of discount could possibly affect a state of things of that kind.

512. But at all events they have applied the same remedy under those circumstances that they apply under ordinary circumstances, namely, raising the rate of discount?—Ultimately, the trade of the country must pay for the exports made by the Government, and therefore there is no other rule applicable for the Bank than to throw the burden upon the trade, which they were not able to prevent being thrown upon it, in consequence of the action of the Government.

513. Do you think that the commercial body is benefited by these constant fluctuations in the rate of discount?—I think they are unavoidable.

514. You stated that the interests of the public and of the Bank are the same. If the public do not benefit by these oscillations in the rate of discount, is it also true that the Bank has not profited by these oscillations?—An increased rate of interest of course gives the Bank increased profit.

515. Therefore it is the interest of the Bank that money should be dear?—It is naturally the interest of all money-lenders to lend at the highest rate they can, the money which is entrusted to them.

516. But the interest of commerce and the interest of merchants on the other hand is, that money should be cheap, rather than dear?—Not if the balance of trade has caused an adverse exchange, and is gradually draining bullion from the country; it is not the interest of the merchants, taking them as a body, that the circulation of the country should be at last reduced to a state of insolvency, that is to say, that there should not be sufficient bullion in the country to meet the payment of the Bank-note on demand.

517. Without going to extremes, is it not the interest of the public to have if possible a moderate rate charged to them for money. If a system could be devised by which the commercial public could be supplied with money at a moderate rate of interest, would it not be more advantageous to it than the present system?—That is the whole question, "if a system could be devised." If a system could be devised by which every man who wanted to borrow could borrow cheaply, that no doubt would be a desirable system.

518. But if it be true that the Bank profits by the other system, how do you make out that the interests of the Bank and of the public are the same?—Considering the public as a whole, the interests of the public as a whole, are bound up with a proper maintenance of the circulation, and the stability of the currency; and I conceive that the interests of the public and the interests of the Bank, are intimately bound up together.

519. The present system having to be maintained, the price paid for it is constant oscillations of the rate of discount. Is that so?—Yes, if you wish to maintain a metallic standard, you must be prepared to pay a price for it in frequent oscillations in the rate of discount.

520. Together with a pressure sometimes amounting to a panic and great ruin amongst the commercial classes?—I do not think it necessarily leads to ruin or to panic. I believe that the opposite system would more infallibly lead to great and sudden fluctuations than the present.

521. You have stated with regard to the sale of securities, that when you have sold them with the view of fortifying your reserve, it has not had that effect?—We have not sold them with the view of fortifying our reserve, for it has not that effect. But we sell them with the view of being able to assist the commercial public, who in those times of rising interest and scarcity of money are apt to look to the Bank more than they have been accustomed to do at other times.

522. If during a period of considerable mercantile pressure the Bank goes into the market as a seller of securities, has not it the effect of increasing the alarm?—The Bank usually guides itself by the state of public feeling; it has been in the habit of selling securities previously when it foresees a scarcity of money; but when a scarcity of money is acting strongly upon the market, the Bank finds it necessary then, generally speaking, to abstain from selling securities.

523. Mr. *Glyn.*] Do not the Bank sell securities of a particular character for the purpose of increasing their power of supporting the commercial classes?—That is the object.

524. Mr. *Cayley.*] How does it assist the commercial public, unless your reserves are fortified by that measure?—There are several classes of borrowers.

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The borrowers that we then are disposed to assist, are those who borrow upon commercial bills; commercial bills being the securities which the Bank prefers possessing at the time of an adverse exchange; because it knows that the more commercial bills it possesses at that time, the greater is its power of action upon the adverse exchange.

525. If the Bank had gone largely into the market as a seller of consols in 1847, during the week which preceded the letter of the Government, what would have been the effect upon the public market?—The effect upon the market would have been nugatory, it would have forced down the price of consols; but the money being required in the market for commercial purposes, it would have gone out upon discount.

526. With securities falling in value upon every side, what would have been the effect upon the public mind of a fall of consols down to 50 or 60?—It would have been extremely injurious. I do not think the Bank would have been justified in forcing down public securities for an object which, in reality, would be nugatory as far as the correction of the exchanges was concerned.

527. Is it the habit of the Bank to hold foreign securities with the object of regulating adverse exchanges?—No; we have never held foreign securities.

528. Not in former times?—Not in modern times.

529. Not since 1832?—No.

530. Can you state what has been the average active circulation of the Bank the last four years?—It varies in different quarters.

531. Take the average of 1853, 1854, 1855, and 1856 respectively?—The yearly average of the active circulation in the hands of the Bank in the whole of 1853 was 22,633,000 *l.* In 1854 the yearly average was 20,709,000 *l.* In 1855 the yearly average was 19,793,000 *l.* In 1856 the yearly average was 19,648,000 *l.*

532. Have there not been, since the passing of the Act of 1844, forty-six changes in the rate of discount?—There have been constant changes.

533. In the whole amounting to 46, or thereabouts?—I do not know the number.

534. You stated that the Bank does not discount bills having a longer period than 90 days to run; is it not your practice to advance upon six months' bills?—They advance upon six months' bills at the close of the quarter until the dividend.

535. That is by way of loan for three months?—By way of loan for six weeks.

536. Then they discount the remainder of the bill?—No; then they call in the money at the end of six weeks.

537. Sir *James Graham.*] You do not allow interest upon private deposits at the Bank of England?—No, we do not.

538. Can you state to what extent the Joint Stock Banks in London now allow interest upon private deposits. Is it not the fact, that five Joint Stock Banks now allow interest upon deposits to the extent of above 30,000,000 *l.*?—Their deposits amount to about 35,000,000 *l.* I think now; and I believe they allow interest upon the greater portion of them.

539. Do you know what rate they allow at the present moment?—About 1 per cent. under the Bank charge.

540. The Bank of England allows none?—We never allow interest upon deposits.

541. Has that competition operated upon the amount of your private deposits?—Our private deposits have remained nearly stationary for many years past.

542. This active competition on the part of the Joint Stock Banks has not reduced the amount of your private deposits?—It has prevented their increase rather than reduced their amount.

543. In point of fact, they are not reduced in amount?—They are not reduced.

544. Mr. *Spooner.*] Has not that cause had more effect upon the Exchequer Bill Market than upon anything else?—The Exchequer Bill Market has, I think, been influenced by the facility of investing money in Joint Stock Banks.

545. Is it not the fact, that the operations in the Exchequer Bill Market have very greatly decreased since the Joint Stock Banks have allowed interest upon deposits?—I have no doubt, as a fact, that they have been very much impeded.

546. Sir *James Graham.*] You have stated, that considerations of public

good predominate in the Bank parlour when decisions are come to, over considerations connected with the interests of the proprietors. Are the Committee to understand, that beyond the regulation of the money market, the Court of Directors seek to regulate the course of trade with reference to the exports and imports?—No, we do not undertake to do anything of the kind; we only take such measures as we think will strengthen our reserve, but which, owing to the constitution of the Bank, we are aware can be done only through an effect produced upon the trade of the country.

547. In operating upon bills presented to you for discount, do you take into your consideration the class of commercial transactions which have been the origin of the bills?—No, we take no account of the origin; we look entirely at the security which those bills present for payment.

548. For instance, you do not consider whether the speculation, which has been the origin of the bill transaction, arises from the purchase of corn, or of any other particular commodity?—We should not consider that as a cause to prevent our discounting those bills, unless we thought the speculation had been carried to such an extent as to destroy the commercial credit of the bill.

549. Your sole consideration would be the credit of the transaction, not the origin of it, with reference to trade?—That is so.

550. Mr. *Glyn.*] Do you apply that statement to bills drawn between Paris and London, for the purpose of bullion transactions?—Yes; we should not make any distinction.

551. You are doubtless aware, that by the Bank Charter Act, the number of partners in private banks is limited to six?—Yes.

552. Probably that was enacted with the view of preserving the monopoly of the Bank of England as regards its circulation?—I believe that was the origin of it.

553. As the law is different now, do you see any reason why the number of partners should not be extended to a reasonable number, say 10 or 12?—I can see no reason why they should not be extended.

554. Sir *James Graham.*] You stated with reference to the bills brought to you for discount, that if you thought the transaction a highly speculative one, you dealt with it by shortening the date of the bill; does not that necessarily give rise to a consideration of the transactions which are the origin of the bill?—That is a collateral consideration; our reserve is affected by the balance of trade of the country. If there is an excess of payments to be made by the country during a particular period, the bullion is exported for the purpose of meeting that balance. In order to correct that exchange there is only one mode, that is, by the number of bills upon the country being by some action or other diminished. The Bank being principally affected by that state of things, takes it into consideration and raises its price with reference to its own position, at the same time collaterally affecting also the balance of payments between this country and foreign countries.

555. Your primary considerations are the solvency of the parties and the state of your bullion and of your reserve?—Those are the only considerations that affect our action.

556. Mr. *Hildyard.*] I understand you to say that you do not regard long bills as bills used in illegitimate trade, but that you have reference to their action upon the Bank in its power over its reserve; first, you wish to have a quick return of your money, and secondly, you wish to act upon the exchanges?—That is so.

557. Is not the effect of that most unjust to those trades which are legitimately carried on by long bills. Let me put this case: suppose that up to August the weather was fine, no alarm as to the harvest, and trade was being conducted without any apprehension of a crisis; and suppose that then bad weather set in, and there was a prospect of a great drain to pay for purchases of corn, it would, of course, be rather late then for parties engaged in a long trade to contract their operations; those bills would be out, and yet the action of the Bank would be such as to place in great extremity persons who had those bills to meet, would it not?—That is a contingency which every person in trade must take into consideration when he undertakes certain liabilities.

558. Then the benefit of securing the convertibility of your currency is a general one, but the means of doing it by the mode in which the Bank acts, bears upon a particular section of the trade of this country?—It bears upon that section of

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of the trade that most uses credit, and I know of no other section that it can fall upon. It falls first of all upon those who use credit for longer periods, and ultimately it must fall upon all those who use credit at all.

559. Can you specify what class of bills, chiefly, are the long bills in this country?—Principally East India and China bills.

560. In the corn trade are the bills generally of long date?—I think corn bills are generally drawn at three months.

561. Is not any action of the Bank which acts most forcibly upon a trade conducted in articles of primary necessity an evil in itself? Is it not an evil that you should be obliged so to conduct your operations in order to secure your reserves as to act occasionally most harshly upon trades in which the community at large have the deepest interest?—We are not able to distinguish between one trade and another; we can only distinguish by letting the burthen fall first upon those persons who use credit to an extent greater than others, or greater than the floating capital of the country enables them to do.

562. I am not blaming the course which the Bank feels it necessary to pursue; but is not that an evil resulting from the necessity of having a convertible currency?—It may be looked upon in the light of an evil.

563. Would it not be more just that you should tax the whole community, in order to secure the convertibility of your currency, that is to say, even purchasing, as the Bank of France have done, bullion at a higher rate, rather than to make the burthen fall exclusively upon particular sections of the trade community?—You can only purchase bullion by the means which the trade of the country affords. The Bank of France could only purchase bullion from England by means of bills which were existing upon England; and if those bills had diminished upon England, the Bank of France would have had no power to purchase bullion from England.

564. But you do not mean to state, that if the Government and the Bank, upon particular and unforeseen causes arising (not arising out of illegitimate trade), were to see the danger of the bullion being drained, they might not postpone and ultimately avert that evil, by taking the course that the Bank of France have done, by which they have tided over their difficulties?—Neither the Government, nor the Bank, nor the country, have any power of purchasing bullion in foreign countries, unless they send something abroad for the purpose of purchasing it. If the Government or the Bank were to try to realise English Securities; for instance, Consols in Paris, for the purpose of raising money and importing bullion, they might undoubtedly do so; it would be, I am afraid, a very absurd transaction. But that was not the action of the Bank of France; the action of the Bank of France was merely to forestall the bills which were existing upon England, by employing certain persons to collect those bills, which were the means that they had of paying for the bullion which they bought from this country; and they gave a premium for that purpose.

565. Then a necessary consequence of maintaining the present system is, if the action of the Bank is a correct one, that in case of a sudden crisis, such as I have pointed out, a failure of the harvest for instance, you must act with great severity upon one particular section of the trading community?—You must act upon that section which uses the longest credit.

566. Mr. *Spooner*.] In Answer 24 of your former examination, you stated that the Bank of France purchased gold by means not called for by the exchanges of the country. You have now stated that they could not do it except by the transactions that arose out of those exchanges. Will you explain the apparent discrepancy between those two answers?—They forestalled that action.

567. In consequence of that, they paid a premium upon gold beyond what the exchanges warranted at the time. Now if those bills were drawn upon England, were they not for sums which the exchanges at that time warranted?—The bills upon England were probably existing in Hamburgh, in Amsterdam, in St. Petersburgh, and various other ports. They were not in exchange as existing between Paris and London. The Bank of France had to collect those bills; and they forestalled the action which those bills would produce upon the exchange by giving a premium upon gold.

568. How did they pay for those bills which they afterwards discounted or sold to get the gold by?—By their notes.

569. What became of their notes?—Their notes were exchanged against gold.

570. Then,

570. Then, according to that, they would not obtain gold?—They did not retain the gold.

571. If the gold increased, their notes increased in the same proportion?—They repeated the transaction constantly, and consequently they lost on the gold; it was the natural effect.

572. Do you believe that there were any bills bought by the Bank of France but bills that were really drawn in the course of exchange with the different countries?—I have reason to believe that that was the fact. I was assured by persons who had the means of knowing, that that was the case.

573. Is it not possible that houses of very large and undoubted credit, having establishments in many parts of Europe, might create those bills for the purpose of selling them?—They might; but they would only create a debt which they would have again to pay.

574. But it might be renewed?—It might.

575. Do not you think that such a transaction has been going on?—I am assured that that was not the case.

576. Mr. *Hildyard.*] With regard to country banks in England, those banks that have the privilege of issue are limited by the Act to a certain circulation. That circulation we find, in practice, is never reached in England, the actual circulation being as much generally speaking as from a million to a million-and-a half below the fixed circulation allowed by the Act. In the Irish and Scotch Acts they have the power of issuing notes above the limited amount, provided they hold bullion of an equivalent value; and the Irish and Scotch banks have exceeded their issue to the extent of about the same sum that the English banks are below it. Is not that so?—Yes.

577. Is there any reason why the English banks should not have the power of issuing in excess of their fixed circulation, provided they do as the Irish and Scotch banks do, namely, hold bullion to that amount?—There is no objection except the practical question, where the deposit of the bullion should be.

578. Where is the deposit with respect to the Scotch and Irish banks?—In the case of the Irish banks, the places of deposit are fixed by the Act. I think the Scotch banks are allowed to retain their own bullion.

579. But that forms no insuperable objection to such an extension of the issues?—None whatever.

580. You have stated that within the last five or six years the demand for small notes has very largely increased as compared with the demand for larger ones?—Yes.

581. I believe country notes are almost exclusively in practice, 5*l.* and 10*l.* notes?—I think they are.

582. Do not you think that practically it would be a great convenience to the different localities where those notes are issued, if country banks were allowed the same privilege which the Scotch and Irish Banks have, of exceeding the amount fixed by the law, provided they held bullion to an equal amount?—I see no objection, if it could be practically carried out, so as to make it certain that the bullion should be found in deposit when it was wanted.

583. Is not the reason why they are now so much below their fixed circulation, that the penalties are very severe, and they are afraid of coming within them?—I believe that is the reason.

584. The interest that the Bank of England has in superseding the country circulation by its own notes, is not one that you think ought to stand at all in the way?—It has no interest in superseding the country circulation by its own notes, because the 14,000,000 *l.* which is issued upon securities, which is the only profitable part of the circulation, always would under all circumstances be in the hands of the public; therefore its other issues are only upon gold; and whether a country banker has a Bank of England note, or whether he has gold representing it, it amounts to the same thing to the Bank of England.

585. Then provided the difficulty of making provision for the place where the deposit should be is overcome, you see no objection to allowing English country Banks the same privilege that the Scotch and Irish have?—No objection in principle.

Veneris, 22° die Maii, 1857.

MEMBERS PRESENT.

Mr. Ball.	Mr. Hildyard.
Mr. Blackburn.	Mr. Hope Johnstone.
Mr. Cayley.	Mr. Puller.
Mr. Disraeli.	Mr. John Lewis Ricardo.
Mr. Ennis.	Mr. Martin Tucker Smith.
Mr. Fergus.	Mr. Spooner.
Earl of Gifford.	The Chancellor of the Exchequer.
Mr. Gladstone.	Mr. Tite.
Mr. Glyn.	Mr. Vance.
Sir James Graham.	Mr. Weguelin.
Mr. G. A. Hamilton.	Mr. Wilson.
Mr. Hankey.	

THE RIGHT HON. THE CHANCELLOR OF THE EXCHEQUER, IN THE CHAIR.

Thomas Matthias Weguelin, Esq., a Member of the Committee; further Examined.

T. M. Weguelin, Esq., M.P.

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586. Mr. *Hildyard.*] WILL you turn to Question 95, at page 11 of your first day's examination. In answer to that question, you state the reason which you believed influenced the Legislature in fixing 14,000,000*l.* as the amount of security circulation. You state that you believe that the lowest amount of active circulation in 1839 was 15,800,000*l.*, and subtracting from that 1,000,000*l.* of Bank post bills, and 600,000*l.* of lost notes since written off, you arrive at the reason why 14,000,000*l.* was fixed upon by the Legislature as the amount of security circulation. Can you tell the Committee what has been the lowest amount of active circulation since the passing of the Act of 1844?—£.16,736,000, on the 30th of December 1848.

587. Are Bank post bills included in that amount of 16,736,000*l.*?—No, they are not included.

588. When were the 600,000*l.* of lost notes written off?—They were written off, I think, in the year 1836 or 1837.

589. That is to say, previously to this Return?—Yes.

590. What amount would you write off for lost notes subsequently to the writing off of the 600,000*l.*, as the proper amount to be subtracted from the 16,736,000*l.*, speaking roughly?—We keep two accounts, of notes which have been out 30 years, and notes which have been out 15 years. The amount upon those accounts I am not prepared exactly to state; but the amount which we annually write off as what we consider lost, is about 6,000*l.* a year.

591. Therefore, the sum to be subtracted from that circulation of 16,736,000*l.*, on account of bank notes lost, would be inconsiderable?—Yes, inconsiderable.

592. Then, upon the principle upon which Parliament legislated in 1844, ought not now the credit circulation of the Bank to be 16,500,000*l.*?—I conceive that the principle upon which the Legislature fixed that amount at such minimum, lower than in any previous experience the active circulation had descended, was in order that there might always remain a certain amount of circulation issued upon gold.

593. But you have given me the minimum circulation since the year 1844; is not it more rational now to take the minimum circulation during that period than to have recourse to the minimum circulation at a time when the industrial operations of this country were very much less in amount than they are at present?—It makes no difference to the industrial operations of the country, whether the circulation be issued upon securities, or whether it be issued partly on gold. The object of fixing 14,000,000*l.* was because that was the lowest amount

amount of active circulation; and it was therefore supposed that it was not likely, under any contingency, to go below that.

594. Do you think that it is likely that the active circulation of this country will go below the sum of 16,736,000*l.*, having reference to the fact that since 1844 it never has been below that amount, and that there has been an enormous increase in the industrial operations of this country?—I think it is likely that it may not go below that, but I cannot tell what banking expedients may not be adopted which may bring the active circulation below that.

595. If you think that that is the lowest point which the active circulation is (as far as we can reasonably foresee) likely to attain, I again ask you, ought we not, adopting the principle that was adopted in 1844, to increase the credit circulation of the Bank to 16,500,000 *l.*?—I think we disagree upon the principle of the Act of 1844.

596. But I am taking your own explanation of the principle that influenced the Government in fixing upon that sum?—The object, it appears to me, of the framers of the Act of 1844, was always to have a bullion guarantee for a certain amount of the active circulation. They fixed the credit circulation as high as it was possible to do, having regard to the object which they had in view, of having always a bullion guarantee for a certain amount of that circulation. Therefore, if the circulation is anything above 14,000,000 *l.*, there must be a bullion guarantee for whatever is issued beyond that. That, I believe, was the object and the intention of the framers of the Act. I cannot distinguish, myself, with respect to the active circulation, as regards the wants of the country, whether it is issued upon security or whether it is issued upon gold; the public have the means of obtaining as many bank notes as they wish, beyond the 14,000,000 *l.* provided only there is gold in the country upon which it can be issued.

597. Then am I to infer from that, that you think that the Legislature never contemplated that there should be an issue of notes beyond the 14,000,000 *l.*, unless the excess was represented by gold?—That was the object.

598. Then why did they make the provision, that if the circulation of the country banks fell off, the Bank of England might issue to the extent of two-thirds of that amount, upon security; and why did you make application to the Government for that privilege, or why did the Government direct you to do so?—That was the replacement of a circulation already issued upon security. The reason why the Act fixed those proportions of two-thirds and one-third was, because it was assumed that the country banks retained one-third of their circulation in bullion. Therefore they allowed any country circulation which lapsed, to be taken up by the Bank of England, to the extent of two-thirds upon securities, and the remainder of course as before, upon bullion. The Bank of England applied to the Government, at the suggestion of the Chancellor of the Exchequer, at the time when their bullion deposit was being heavily drawn upon for the purposes of the war; and the issue of 475,000 *l.* more upon securities strengthened their reserve at that moment to that extent, and enabled the Bank to supply the Government with 475,000 *l.* more of bullion; and it was exported, leaving the relations of the Bank towards the public exactly as they were before.

599. Did you consider that that privilege to issue to the amount of 475,000*l.* did strengthen the position of the Bank in the case of the demands made upon it for the purposes of the war?—It did not strengthen our position, because the 475,000*l.* was immediately exported; the moment that was exported, our figures remained precisely as they were before.

600. But you used the expression that it increased the reserve of the Bank?—It did, at the time.

601. Did it or did it not strengthen the position of the Bank?—Not ultimately.

602. Then why did you make the application?—To enable us to export 475,000*l.* more gold.

603. Then it gave relief at that period of pressure to that extent?—It had no effect in relieving the general wants of the money market at that time; it had simply this effect: there being at the time a great demand for the export of treasure, it increased the credit circulation of the Bank, and enabled it to export that amount; but it did not give any further accommodation to the public at that time.

604. Assuming that the reserve was to continue what it has been for some time,

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time, and that we were to have a bad harvest this year, would or would not the condition of the Bank be more satisfactory if you had a credit power to issue on securities to the extent of 16,500,000*l.*, which I am contending is the point at which it ought to be fixed, having reference to the principle adopted in 1844; would not your ability to meet the drain of gold created by a failure of the harvest be increased by that means?—No doubt we should be enabled to export two millions and a half more of gold, and still maintain the same relations towards the public; but our whole stock of gold would be diminished to that extent, all other figures remaining the same.

605. Is it not easy to conceive of a drain of gold, which might very much cripple the Bank when it is restrained to a circulation of 14,000,000*l.* on credit, but which would not exercise the same effect, if it could issue a larger amount on credit?—It is very difficult, I should say impossible, to calculate the extent to which a drain of gold could proceed.

606. Assuming the trade of the country to be healthy, and the exchanges to be favourable, as they now are, and that a failure of the harvest made it probable that there would be required an importation of corn to the extent of eight or nine millions, in such cases as that might not the position of the Bank, owing to its reserve being reduced to 3,000,000*l.*, be a very formidable one to contemplate?—No doubt a failure of the harvest always is a great disturbance of the monetary position of the country, and of the Bank, but that disturbance must be met by natural measures. If you have a large foreign debt created by importations, of course you must pay it either by your manufactures or produce, or you must pay it by bullion; and if you pay it by bullion, the only mode of getting back that bullion is by the exchange again becoming more favourable to you. The meaning of a favourable exchange is, that your importations shall be in amount less than your exportations; and therefore the foreign trade must ultimately pay for any demand which has been made upon it for any such sudden contingency as you have alluded to.

607. Then you would not represent to the Committee that you can immediately meet a demand for bullion by any action whatever upon the exchanges; it must be met by a long and delayed process, must it not?—No doubt it would take some time; but I wish to point out, that the power of the Bank to act upon the exchanges is very small. It must be the trade of the country which must influence the exchanges. All that the Bank in such a case can do is, to defend its own position; and holding the reserves of the country at that moment, no doubt, its position becomes a matter of very considerable interest and importance; but it can only do that. The trade of the country must right itself.

608. But you do not conceive that the trade of the country can immediately furnish the Bank with the means of meeting a rapid and unforeseen drain of gold occurring upon a contingency like the failure of the harvest?—I think we have evidence that the trade of the country is enabled to do that.

609. Suppose that the harvest of this year were to prove a failure, and 7,000,000*l.* or 8,000,000*l.* of bullion were withdrawn to pay for an importation of corn, which, of course, must be furnished at all events; do you mean to say, that the trade of the country would be immediately able to replace that?—When you say that it must be furnished at all events, you must consider that the persons who import the corn must have the means of obtaining bullion by which they import the corn. To do that they must sell something which they have in hand. That has the effect of lowering prices, and of encouraging exportations, which will ultimately pay for that extra importation.

610. But I ask you again, is not that a slow process?—The importation of corn is a slow process also; you do not require 8,000,000 of quarters of corn to be suddenly poured into the market; it is a gradual process, even importation to make up for a bad harvest.

611. I will again ask, taking your own explanation of the ground why 14,000,000*l.* was adopted in 1844 as the basis of the credit circulation of the Bank; ought not the credit circulation of the Bank to be now increased to 16,500,000*l.*?—I think that the present amount of 14,000,000*l.* issued upon securities is sufficiently high, because the bullion guarantee for the active circulation would be, in my opinion, reduced too low if you were to fix the amount issued upon securities at a higher rate.

612. My question assumes that the explanation you gave in answer to Question 95, of the ground upon which 14,000,000*l.* was then fixed upon, was the correct one.

one. Assuming that, I ask, ought not 16,500,000 *l.* now to be adopted as the basis of the credit circulation of the Bank, inasmuch as the minimum active circulation since 1844 has been more than 2,000,000 *l.* higher than the minimum circulation upon which that amount was based in 1844?—I think you entirely misunderstood the answer which I gave there.

613. Will you read the whole of your answer, and explain in what respect you think I misunderstand it?—The answer is, as follows: "The reason I believe why 14,000,000 *l.* was fixed by the authors of the Act of 1844 was, that the active circulation had never gone down below that, or even as low as 14,000,000 *l.* I believe the lowest amount of circulation was in 1839, and then it was 15,800,000 *l.* I believe that included Bank post bills to the amount of 1,000,000 *l.*; and it also included lost notes to the amount of 600,000 *l.*, which we have subsequently written off; adding those two together, it made the active circulation, as compared with the present active circulation, a little more than 14,200,000 *l.* Consequently, taking that as the minimum to which the active circulation could be reduced, it was thought that that might be a fair point at which to fix the minimum amount to be issued upon securities."

614. Now you have told me that you do not contemplate that the active circulation will be reduced below the sum of 16,736,000 *l.* Then I again ask you whether, assuming that which you have stated to have been the principle acted upon in 1844, we ought not now, upon the same principle, to increase the credit circulation to 16,500,000 *l.*?—No, I think not. In 1844, when 14,000,000 *l.* was fixed, there was no expectation that the active circulation would go down as low as 14,000,000 *l.* It was expected to remain at something like 18,000,000 *l.* The object of the framers of the Act of 1844 was to have always an amount of at least 3,000,000 *l.* to 4,000,000 *l.* of active circulation issued upon bullion, keeping 14,000,000 *l.* as the amount issued upon securities. Now, if you took 16,500,000 *l.* as the amount which you would issue upon securities, it is possible that your active circulation might go to 16,500,000 *l.*, and then the Bank might be drained of every sovereign, having 16,500,000 *l.* issued only upon securities.

615. Mr. *Fergus.*] In point of fact, you think it not impossible that the active circulation of the country might reach to 16,500,000 *l.*?—I think it is possible, because we have seen it go to that; in which case there would be no bullion guarantee for the active circulation at all.

616. Earl of *Gifford.*] In answer 141 of your first day's examination, in giving an account of the profits which the Bank derives from its management, you stated that it receives 450 *l.* per million up to 600,000,000 *l.*, which makes 270,000 *l.*, whereas in your answer you state that the amount you receive is about 247,000 *l.*; must there not be some inaccuracy there?—The 247,000 *l.* is right; the other figures may be inaccurate.

617. Mr. *Ricardo.*] You state that you receive 300 *l.* per million for the management of the debt for any increase that may take place beyond the 600,000,000 *l.* Is there any additional expense incurred in the management of the debt by the increase of the amount?—Not a material increase.

618. But you must be now having something like 12,000 *l.* a year in addition to what you had before the commencement of the Russian war?—We receive the same rate; I think it is 300 *l.* per million, for the increase of the debt.

619. If the debt has increased 40,000,000 *l.*, you will now be receiving 12,000 *l.* in addition?—Yes.

620. Mr. *Wilson.*] Looking at the tenor of your former evidence, am I right in supposing that you consider that the main duty of a banking establishment in the management of its business is to see that under all circumstances it maintains a sufficient reserve to meet its liabilities?—Yes.

621. And that beyond that duty, a banker is not called upon to look to any extraneous circumstance or to govern himself at all in relation to the trade of the country?—No, certainly not, in ordinary cases; but as far as the Bank of England is concerned, its reserve is acted upon by different causes. It has the reserves of other bankers.

622. That would lead the Bank of England to regard with greater circumspection all the various circumstances which might act upon its reserve?—Precisely so.

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623. But its main duty is to watch its reserve, and to see that its own credit is maintained, and that its own liabilities are met under all possible circumstances?—That is its duty.

624. Are you of opinion that the Bank of England on its part, and other bankers on their parts, in so attending to the maintenance of their own credit, and taking care that it shall not be endangered under any circumstances, are taking the best course they can to maintain the credit of trade generally?—I think that is so.

625. Any discredit falling upon the Bank of England or upon banks generally, would react upon trade so much that the injury to the trade of the country would be as great as it would be to the Bank itself, probably?—Yes; I think that would be the effect.

626. And would produce a pressure upon trade more detrimental than any temporary means that the Bank may take, in order to protect its reserve?—I hold that opinion, certainly.

627. Taking a bank of issue like the Bank of England, of what do the liabilities of the Bank consist?—The liabilities consist of the notes issued, and of their deposits.

628. That is, the notes in the hands of the public and the deposits of the public placed with them?—Precisely.

629. Those two heads constitute the liabilities of the Bank?—Yes.

630. Supposing the deposits to be, as they are at the Bank of England, payable upon call, and not payable upon notice, the circulation in the hands of the public and the deposits belonging to the public then have an equal claim upon the reserve of the Bank at all times?—Yes, they have so.

631. And there is no distinction to be made between claims that may be made for the payment of its notes, and claims that may be made by its customers for the withdrawal of deposits?—I know of no distinction.

632. Of course, in speaking of deposits, I distinguish between deposits in the ordinary banking sense payable at call, and deposits which are now very frequently lodged with bankers at interest subject to a notice?—We have none such, with the exception of bank post bills, which have a certain date to run, which is a third class of liabilities.

633. Bank post bills are not in the form of deposits, but they form a species of circulation?—Yes.

634. With regard to the question as to what a banker ought to consider a reserve; should not his reserve be in something in which he can legally pay his obligations?—Certainly.

635. For country bankers, who issue notes and are holders of deposits, Bank of England notes are a sufficient reserve, because in their hands they are a legal tender?—Yes.

636. In the case of the Bank of England itself, Bank notes cannot be a reserve, because they are not a legal tender?—No.

637. Therefore the only reserve which the Bank of England can be said to hold is bullion, in which alone it can pay its obligations?—Precisely so.

638. Therefore, the real reserve of the Bank of England is the bullion which from time to time it holds?—The bullion beyond the amount which is necessary for the bullion guarantee of the active circulation; beyond the 14,500,000*l.* issued upon securities.

639. Is that portion of the bullion supposed to be appropriated to any special description of liability?—According to the spirit of the Act of 1844, the amount of gold upon which notes have been issued beyond the 14,500,000*l.* is specially, I think, devoted to the guarantee of the active circulation.

640. But looking at the liabilities of the Bank for its whole circulation on the one hand, and its deposits on the other hand, both of which the Bank is equally liable to pay on demand, and in bullion, is not the bullion as a whole in the Bank the only reserve which the Bank holds for its liabilities as a whole, consisting of circulation and deposits?—No doubt, whatever demand is made upon the Bank, the Bank must meet it in gold.

641. If a person comes to the Bank of England and presents a thousand pounds of notes for payment, you must pay them in gold. You have no other means of satisfying the demand?—No.

642. If

642. If a person comes to the Bank of England with a cheque upon a deposit account for 1,000 *l.*, and he says, "I want gold," you must pay gold?—Yes.

643. You cannot offer him Bank of England notes?—No.

644. Therefore, in either case, gold alone will meet the two sets of liabilities?—It is so.

645. The circulation of the country, or of the Bank of England, may be either entirely metallic, or it may be a circulation of mixed paper and coin?—Yes.

646. The object of using paper to a certain extent instead of coin, is simply for the purpose of economising that coin, and economising to that extent the capital of the country?—I conceive that is the only object of issuing paper.

647. The greater the extent to which that can be done with perfect safety to the community, the greater is the advantage which the country derives from the adoption of a mixed circulation of gold and paper?—No doubt it is so much capital saved.

648. Supposing you had in this country a purely metallic circulation, in that case the whole of that which now forms the active circulation of notes, as well as the circulation for small purposes, which now consists of gold, would consist of sovereigns or other gold coins?—Yes.

649. Do you apprehend that in that case the question of your reserve to meet the purpose of a foreign drain would be in any way altered in principle; would it not be as necessary for you to keep a reserve for the purpose of meeting the demands of foreign trade, as it is now with the present description of circulation?—The same.

650. The only difference would be that the 38,000,000 *l.* of paper that is now in circulation in the whole country would be replaced by 38,000,000 *l.* of sovereigns?—That would be the only difference.

651. The circulation of a country, if I understand it rightly, is the smallest amount of money which, under the particular circumstances of the country, is necessary for conducting its trade?—That, I think, is the true explanation; no more circulation is required than is necessary to conduct the trade of the country.

652. In point of fact, the circulation of the country is so much abstracted from the portion of its capital yielding profit for the purpose of performing the duty of circulating commodities and making payments?—Yes.

653. Any notes or gold that are in circulation are of no use, except for the purpose of carrying on the transactions of trade from day to day?—No, they are unproductive.

654. Therefore, no person has any inducement to retain a larger amount of circulation, whether it be metallic or whether it be paper, than is actually necessary for the purposes for which circulation is required?—Certainly not.

655. The more perfect a banking system is in the country, the greater will be the opportunities afforded for economising circulation by the use of cheques, by the use of bankers' accounts, and by all the means by which the portion of capital required for circulation can be saved?—Yes.

656. With respect to the case of a foreign drain, supposing that we had a purely metallic circulation, and that all issues from the Bank of England were in coin, instead of being in coin and paper, and supposing we had such a foreign drain as we had last year, is it your opinion that any portion of that drain could be satisfied by abstracting from the metallic circulation in the hands of the public?—No doubt it would be very difficult to satisfy the foreign drain from the circulation in the hands of the public; the ultimate effect must be, that the Bank would then have to economise its circulation in order to supply that foreign demand, or else the country could not have the means of importing what was necessary for it.

657. But you have already stated, that, in the event of a metallic circulation, you would be obliged to keep a reserve of bullion, precisely as you are obliged to keep it now?—Then it would act upon the reserve, no doubt.

658. The foreign adverse exchange would, in the first instance, act upon the reserve of the Bank of England, as it does now?—No doubt of it.

659. Supposing there is any discredit attached to the adverse exchange, as there frequently is when a commercial crisis is caused by overtrading, would there not be, in proportion to the discredit which might prevail at such a time, a tendency on

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on the part of country bankers and others, rather to increase and strengthen their reserves than to reduce them?—That would be the case.

660. Therefore, that of itself would tend to create difficulty at such a moment if an attempt were made to withdraw from the active circulation in the hands of the public, some portion of coin necessary for the uses of trade, and for the purposes of exportation?—Yes, I think so.

661. Then taking the actual state of your circulation now, mixed as it is of coin and paper, does not the same principle apply, that if you have an adverse exchange, and in consequence of that a drain for bullion, the whole pressure of that drain comes upon your reserve in the first instance?—No doubt.

662. From your knowledge and experience of the management of the Bank of England, do you believe that it would be possible in the case of an adverse exchange now, to abstract notes from the hands of the public, and to reduce the circulation of notes in order to meet a drain for bullion?—I think I can see no material difference in the active circulation, in consequence of the high rate of interest charged of late years, or of the restraint put upon accommodation for commercial purposes.

663. In point of fact, is not the amount of circulation nearly a fixed quantity, fixed by causes and circumstances altogether irrespective of the state of the exchanges from time to time, or of the larger or smaller quantity of bullion in the Bank?—I think, as far as we have had experience of late years, it is so.

664. A mixed circulation of gold and paper under those circumstances will fluctuate, and follow the same rule precisely as if it were a metallic circulation?—Yes, I think so.

665. So long as those notes are always convertible into gold upon demand?—Yes.

666. So long as convertibility is maintained with ease a mixed circulation of gold and paper will follow the same rules precisely as a circulation exclusively of gold?—Precisely the same, I conceive.

667. In both cases the drain for foreign payments must be made upon the reserve of bullion in the Bank of England?—That is the effect in both cases.

668. Supposing the pressure continues for a considerable period of time, so as to cause a depression in trade, and a reduction of prices, after some time a contraction of the circulation, whether altogether metallic or mixed, might take place in consequence of the reduction in the amount of trade?—That I think would be the ultimate effect of a long continued pressure.

669. But would not the first effect of the drain rather be to increase the circulation, in consequence of the slight discredit that it might create in the country?—I am inclined to think that it would have that effect to some extent.

670. The circulation of Bank notes, I apprehend, consists chiefly of the reserves of other bankers to meet their liabilities?—It is not very easy to ascertain to what extent the reserves of Bank notes by country bankers go; we can tell partly from the denominations of the notes, what notes we may think to be in the hands of the public for retail transactions. The larger denominations of notes we consider to be held by bankers, principally for their reserves.

671. But the great transactions of trade now are carried on by means of cheques and transfers of credit between one bank and another, and to a comparatively small extent by Bank notes; is not that so?—By far the larger amount of transactions are carried on in that way, by cheques.

672. Take the London circulation, which is more particularly within your own knowledge, do not you conceive that by far the largest portion of your notes out of the Bank, and in the hands of the public, are notes which constitute the reserves of the London bankers?—Not the larger portion. I think the larger portion are notes which are in the pockets of the public, which are used for the daily expenditure of the public.

673. But, in either case, is it not the fact that their amount is very even, and fluctuates very little?—It fluctuates to the extent every quarter, as I have noticed, of about two millions and a half. At the time of the payment of salaries and dividends, the notes in the hands of the public amount to about two millions and a half higher than they do at the lowest period of the quarter.

674. With regard to the payment of dividends alone, the largest portion of the dividends is paid to bankers?—It is about, I think, 4,000,000 *l.* out of the 6,000,000 *l.*

675. Inasmuch

675. Inasmuch as it is now the almost universal practice for persons to keep banking accounts, the notes received for the dividends will immediately pass into the hands of bankers?—Those 4,000,000*l.* do; the action upon the active circulation is principally owing to the other 2,000,000*l.*, which are received by the general public, and which we conceive remain in the pockets of the general public until they are dispersed for their daily expenditure. We therefore notice that those notes come back in the course of the quarter by driblets, and the active circulation goes down from 20,000,000*l.* to about 18,000,000*l.* There is the same oscillation in the sovereigns that we issue. We issue to the public for dividends from 300,000*l.* to 500,000*l.* of gold. That gold comes gradually back in the course of the quarter, through the bankers; so that during the quarter we may always calculate upon the amount issued for dividends coming back from the public.

676. Does it not appear that by far the largest portion of the increase takes place within a week of the payment of the dividends, and that the largest portion of that increase is again returned within a fortnight of the time?—No. I think you will find that the increase to the active circulation commences about a fortnight before the payment of the dividends, and continues for about three weeks after the dividends. In about three weeks after the dividends the active circulation reaches its highest point; from that period it begins to decline. The reason why the active circulation goes up a fortnight before the issue of the dividends is, that at that time various payments are made for salaries and other things, which cause a great issue of notes to persons not keeping banking accounts. The dividends are then taken out by the general public in the course of about three weeks; for the general public do not come immediately, as the bankers do, for their dividends, and that causes a demand tending to increase the active circulation during the three weeks subsequently to the payment of the dividends. When the dividends are all paid to the general public, then we find that our active circulation has attained its highest point. From that period the notes find their way back in driblets through the bankers and other channels, and the circulation goes down.

677. But all this is an effect upon the circulation over which the Bank has, in fact, no control?—No control whatever.

678. In all this the Bank is a mere agent, acted upon by the public wants?—Certainly.

679. In your evidence on a former day, you stated that if a further economy of the circulation were effected by the use of notes of small denominations, you apprehended that an evil of this kind might arise: that we should have, as in Scotland, the whole of the small payments made by notes of a low denomination instead of by sovereigns, and that in consequence of that we should have a much smaller amount of bullion in the country, and therefore have a much smaller reserve with which to meet either the calamity of war, or the calamity of a bad harvest. Now, supposing that, for the purpose of economising capital, it were considered desirable to save the use of coin, to the amount of 40,000,000*l.* or 50,000,000*l.*, as is done in Scotland, would it not be the case then that, in the event of a drain of bullion, either for a war or for a bad harvest, no relief whatever could be given from that coin in circulation without abstracting it from the circulation, and thereby reducing it too low?—You could only obtain the gold coin now in circulation in the hands of the public by issuing notes to represent it; therefore, if there was a large circulation of gold in the country, and a contingency of the kind which you referred to was to take place, there might then be a power of issuing 1*l.* and 2*l.* notes to an amount which might be deemed desirable, which would do the duty of the gold coin in circulation, and enable you to use that gold coin for the purpose of meeting that foreign payment.

680. What you mean is this, that at the present moment, while we have a metallic circulation of gold, in the event of a severe pressure we could get relief by substituting at the moment 1*l.* or 2*l.* notes for the gold in circulation?—That is my meaning.

681. Then you keep the metallic circulation as a reserve?—That is my object; to keep it as a reserve for those contingencies.

682. I quite understood your former answer to mean that you regarded that as a reserve in case of difficulty; but what I want to know is, under the present

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state of the law, would that reserve be under any circumstances available?—In the present state of the law it would not be, because we are not allowed to issue notes the circulation of which would act as a substitute for that.

683. But if you abstract the gold from the circulation, and substitute for it notes, under circumstances which render them at all times convertible into gold, do you not by that means render available for the trade of the country all that additional amount of capital?—No doubt it is an addition to the capital of the country to the extent to which you substitute notes for gold; but we are supposing that you are using that power only in the contingency of a bad harvest or of war, both of which assume a very considerable destruction of capital. I think the right policy is to reserve that power for those contingencies.

684. Whatever destruction of capital might take place, that destruction of capital would of course be felt more or less in proportion to the amount of capital that you had in reserve. Supposing that your capital represents 1,000,000 *l.*, and that the destruction of capital is 500,000 *l.*, that would be a destruction equal to half your capital. But if you suppose that the effective capital is 1,500,000 *l.*, the same destruction of capital would not have so serious an effect upon 1,500,000 *l.* of actual capital in the trade as it would upon 1,000,000 *l.*?—No doubt of it.

685. If you abstracted from the circulation 500,000 *l.*, to add it to the entire capital, then whatever destruction of capital might happen by a calamity, you could bear better than you could have done if it had still remained idle in circulation?—No doubt you would have utilised the circulation of the country for that particular object.

686. But although you had utilised it for a particular purpose at that particular moment, it would still remain effective for all purposes of trade, such as paying for a supply of corn, or anything else?—It would remain effective capital so long as its credit remained perfect in the country, and so long as it was used for internal circulation.

687. Then I rightly understood you as expressing an opinion that the gold in circulation may be regarded as a reserve in the event of any great calamity, and that you would contemplate the use of notes of a small denomination at such a time, for the purpose of meeting any particular emergency?—That was the view I had in the answer that I gave.

688. Would not there be great difficulty at a particular moment in changing notes for gold? If you wanted to change the circulation of the country by substituting notes of a low denomination for gold, would not it require a long period to effect that?—No. I apprehend that if the Government were to issue for its payments 1 *l.* notes, persons receiving wages from the Government would take those notes, and that gradually, by the Government retaining the gold which it received, and issuing 1 *l.* notes for wages and other payments, a very considerable amount of 1 *l.* notes might be substituted for gold through the agency of Government payments alone; the Government would collect its taxes in notes and gold; it would retain the gold, and make all its payments in notes.

689. But a pressure for the importation of corn is a thing that is sometimes confined within four or five or six months, and you could produce by those means but a very small effect upon the 40,000,000 *l.* or 50,000,000 *l.* of gold in circulation during that period?—I think the mere occurrence of a bad harvest, of which we have had many instances, would be hardly a sufficient cause to alter the circulation of the country in the manner suggested. What I had in my mind was some such calamity as an entire failure of the harvest, when, in order to prevent the starvation of the people, it might be necessary to make use of every means we had to facilitate the importation of corn.

690. But in point of principle, you have no objection to make to any denomination of note in particular, whether a large denomination or a small denomination, so long as the convertibility of the note is maintained?—No objection in principle.

691. So long as the convertibility of the note is maintained, you cannot conceive that any depreciation of that note could take place?—No, I can conceive of none.

692. The value of the note and the value of the corresponding coin must always remain the same, as long as the convertibility is maintained?—I think so;

so; but I think it would be necessary to retain a larger proportion of reserved bullion in case of issuing 1 *l.* or 2 *l.* notes, than you do upon issuing the present denomination of notes.

693. No doubt the reserve of the Bank must be in relation to the amount of its liabilities, and if you substituted notes of a small denomination for coin, you would thereby increase the liabilities of the Bank, and in that proportion you ought to increase its reserve against those liabilities?—Yes. You must assume a higher proportion of liability when you make an issue of a low denomination of notes. The holders of a low denomination of notes are subject to panic, and to sudden influences which do not affect the holders of a higher denomination of notes; there might be a run for gold, and I think it would be necessary that a much higher proportion of reserve should be kept if you issued a low denomination of notes, than for a higher denomination of notes.

694. You would keep a larger amount of bullion to represent the same amount of circulation?—Yes.

695. Have you ever known or heard of an instance where a panic, which has been met effectually by the payment of the notes, has ever led to any material inconvenience as affecting the credit of a bank like the Bank of England, which has always stood high above all suspicion?—In 1825 the Bank issued 1 *l.* and 2 *l.* notes at a time when it was nearly drained of bullion, and those notes were certainly accepted by the public with perfect confidence, and they were the means of immediately alleviating the great want of circulation which existed at the time, in consequence of the failure of so many country banks, whose circulation was entirely discredited.

696. They supplied the place of the circulation withdrawn by the failure of the country banks?—Yes.

697. But what I meant to ask was this: have you ever known an instance with respect to a bank like the Bank of England, standing in high credit, whose circumstances were well known by the publication of their accounts, of the capital they held, and the securities they held, where any discredit or panic has not been immediately allayed in such a case by the payment of the notes as soon as presented?—I have no instance in my mind; of course the payment of the notes would alleviate the panic, but I am afraid that in such a case nearly the whole of the bullion might be drained before the panic was relieved; we had an instance lately, of the National Bank of Ireland; there was a run upon that bank for no particular reason, and in many cases the deposits of their branches were entirely drawn away in gold.

698. Are not bankers much more liable to a serious run of that kind from their deposits, than they would be from their circulation?—That drain, I believe, took place through the medium of their deposits.

699. Was it a bank of issue?—I believe it was.

700. It was a drain of their deposits, in consequence of the failure of the Tipperary Bank, and the discredit thereby caused?—Yes.

701. I understand you to hold the opinion that the coin that is now in circulation in England could not be of any use to the country in the event of an emergency, excepting that for the moment it could be used to give relief, by substituting paper for the gold?—No; I think there would be no other means of utilizing it.

702. You do not agree in the opinion which some hold, that the coin in active circulation at any particular moment could be got in for the purpose of making a reserve, without substituting paper for it?—No, I think not. I think that after a long period of pressure the active circulation even in coin might be diminished, but certainly the immediate effect would not be materially to diminish it.

703. There would be a diminution through contraction of trade?—Contraction of trade, and economy generally.

704. And reduction of prices, probably?—Yes.

705. The circulation of the country must depend upon the extent of its transactions; and it must be affected not only by the extent of its transactions, but by the price of commodities from time to time requiring a larger amount of coin or notes to represent the same amount of transactions?—No doubt, according to the condition of its population.

706. In using the term "circulation" with regard to banks of issue in the country, do you confine that term to the notes which they have in the hands of

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the public?—Yes, the country bankers are not at present enabled to avail themselves to the full extent of their authority to issue: they are authorised to issue in round numbers about 8,000,000*l.*, but they are not enabled, owing to some provisions in the law, to avail themselves of that authority to a greater extent than 7,000,000*l.*

707. But the circulation of a country bank you would call its notes in the hands of the public?—Yes.

708. If it has a portion of its legal circulation in its own till unissued, you would not call that circulation?—No.

709. It would not derive any profit from the notes in its own till?—Certainly not.

710. Only from those in the hands of the public?—Certainly.

711. Therefore, it is only the notes in the hands of the public that could in any way be said to affect trade, or to give facilities to the public?—That is the only portion that could affect trade, I should say.

712. Do you believe it is in the power of a country banker to regulate the amount of his issues by any means whatever, so as either to increase or to diminish them at his own pleasure?—He may diminish them, but it is hardly in his power to increase them, except by the gradual influence of his credit and position, and the extension of his business.

713. Do you think that he could diminish his circulation, if he had a large amount of deposit belonging to his customers, below the amount required for the convenience of his customers?—Of course he must substitute some other medium; if he did not issue his own notes, he must issue Bank notes or gold in payment of his liabilities.

714. He can only diminish the circulation of his own notes by substituting notes of the Bank of England, or by substituting coin, as a legal tender for his obligations?—Yes.

715. But he could not, by any power that he possesses, either contract or increase the amount of his circulation as a whole?—No, I apprehend not.

716. That would be determined by causes over which he had no power?—Certainly.

717. Therefore, as long as a banker has a bank of deposit as well as of issue, the amount of his notes in the hands of the public must be determined by the wants of his customers, and not by his own will?—Yes; the amount of his circulation of course depends upon the wants of the public, not upon the wishes of the banker.

718. And the banker, if he would not issue his own notes, must issue something else, which his customers have a right to demand from him?—Yes.

719. Will you have the goodness to direct your attention to Returns No. 19 and No. 20, which have been laid before the Committee. I will ask you to look at No. 20 first. On the first page of No. 20 you will find an account of the number of banks which have been established, banks of issue and banks of deposit, in each year since 1819 to the present time. Now I want to call your attention to the first period of the introduction of joint stock banks in England. If you will look to 1831, you will find that seven joint stock banks of issue were established in that year, and 10 in the following year 1832, 12 in 1833, five in 1834, 35 in 1835, and seven in 1836; making, during those six years, 76 joint stock banks of issue, independently of banks of deposit?—Yes.

Vide Appendix, No. 21, p. 234.

720. Do you happen to remember the great competition amongst banks which took place at that time, in consequence of the establishment of those new joint stock banks?—I cannot speak from personal reminiscences of that; it was before I came into the Bank Direction. I entered the Bank Direction in 1837; but I remember so far the effect of that competition, as to recollect that it resulted in the failure of several of those joint stock banks.

721. You cannot doubt that the establishment, during that excited period, of no less than 76 joint stock banks of issue, there being no restraint then according to the law upon the amount of circulation, must have increased very much the competition for the circulation of country bank notes in the hands of the public?—I have no doubt that was the effect.

Vide Appendix, No. 15, p. 148.

722. Now, will you have the kindness to refer to Paper 19; this is an account which shows the amount of monthly circulation of notes in the hands of the public, from 1833 to the present time. Will you look to September 1833, the commencement

commencement of the account; you will find that the circulation of the Bank of England in that month is 19,014,000 *l.*; the circulation of private banks 6,163,037 *l.*; of joint stock banks, 1,115,521 *l.*; of banks which had made no return, 2,307,086 *l.*; and that the aggregate circulation of the country banks is 9,585,644 *l.*?—Yes.

723. Passing over Scotland and Ireland, as not affecting the present question, the aggregate of the whole country is 36,035,244 *l.*?—Yes.

724. After the establishment of those 76 banks of issue, competing for circulation, and endeavouring to increase the circulation of their own notes, we come to the end of 1837, the month of December; you find there, that the circulation of the Bank of England is 17,176,500 *l.*; of private banks, 6,382,153 *l.*; of joint stock banks, 3,657,415 *l.*; of country banks, 10,357,651 *l.*; and that the aggregate is 36,163,306 *l.*?—Yes.

725. Notwithstanding, therefore, the establishment of 76 new banks of issue competing with one another, and endeavouring to force their notes into circulation during the whole of that period, it appears that between the two periods I have mentioned, there was no material increase in the aggregate circulation of the country?—No; but in the interval there had been failures and great discredit of those banks.

726. I am only now speaking of the effect which this increased competition had upon the circulation of the country during the whole of that period; casting your eye down the column of aggregate circulation, what is the highest amount that you find?—It went up to some thirty-nine millions and a half.

727. But take any one month in each year during the whole period, and what is the highest amount that you find?—If we take September of each year, which was the month that you began with, it went up in the following year, 1834, about 700,000 *l.* In September 1835, there was a decline of 400,000 *l.* Again, in September 1836, there seems to have been, as compared with September 1833, an increase of 1,600,000 *l.*, and in September 1837, it was about the same as in September 1833.

728. But during the whole period, does not the circulation in the hands of the public appear to have continued pretty uniform?—Yes; there seems to have been no very material variation, except in that particular case of April 1836, when the circulation went up to 39,500,000 *l.*

729. That would be the month of the payment of the dividends?—Yes; I see that only 600,000 *l.* of that increase is due to the Bank circulation.

730. Does not that account go far to prove that bankers have no power to increase their circulation; that while one class of bankers may have the power of substituting their notes for the notes of other bankers, yet that they cannot increase the aggregate amount of circulation?—I think that is true within certain limits; but I think it is possible that, under certain conditions, a banker might be enabled to extend his circulation.

731. Without diminishing any other?—Without diminishing any other. Supposing, for instance, the circulation were entirely metallic, I conceive that the public at one period of prosperity might hold a greater amount of metallic circulation than at another. For instance, I think at this moment the amount of metallic circulation held by the public, is considerably larger than it was 10 years ago; and I think the same cause might operate to enable the public to hold a greater amount of circulation, even consisting of paper.

732. You are now speaking of the public holding an increased amount of circulation in consequence of having increased use for circulation, not in consequence of the mere will of the issuer of the circulation to issue more?—No; independently of the will of the person issuing the notes, but in consequence of the increased wealth of the community and the greater consumption, and various other causes which demand a greater amount of circulation in the hands of the great mass of the people.

733. If there be an increase of trade, on an increase of locomotion, or a more rapid transfer of goods, and more rapid business, a larger amount of circulation might be required for those purposes at one time than at another?—Yes.

734. But that would not at all depend upon the will of the issuer, either of notes or of gold?—I think, under certain circumstances, it might. We will suppose, for instance, that great public works are carried on in the neighbourhood of a banker, such as the construction of a railway, for instance, and the

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contractor for that railway makes his arrangements to pay his workpeople in the notes of that banker, I think that circumstance would enable that banker to circulate a larger amount than the wants of his district had hitherto demanded.

735. But would not that, in fact, be the creation of a new want?—The creation of a new want.

736. That would not be simply at the will of the issuer; it would be a new want, created in a particular district, of more circulation for the time being?—No doubt, there would be increased employment and a greater demand for circulation in consequence.

737. As the railway contractor must pay his wages in some way, it would be merely using the banker's notes instead of something else for that purpose?—Yes.

738. Therefore, supposing the railway contractor had been going on with the same amount of work for some time, it would in that case be simply a substitution of one description of circulation for another?—That is so.

739. Then it comes back to the same point, that a banker cannot increase the circulation at his own will; he cannot do it unless the wants and conveniences of the public require it?—No, he cannot of his own will increase the circulation, but he creates a certain amount of capital which is applicable to those particular public works which are going on. If, for instance, he is enabled to issue 50,000*l.* more notes than he has been accustomed to do hitherto, and he retains one-third of this 50,000*l.* in bullion, he has created a capital of 30,000*l.* odd, upon which capital those works are, as far as it goes, carried out.

740. That again would be merely supplying new wants that have been created by works that were not previously in existence?—Yes.

741. Mr. *M. T. Smith.*] But they may be wholly speculative?—It may be wholly speculative, and they may have this effect: the effect of spending larger sums than usual in wages is to increase consumption, increase of consumption generally includes increase of consumption in articles of foreign produce, consequently it renders necessary an increased importation of foreign produce, and the effect of that is adverse exchange against this country; ultimately, therefore, any large sums that are laid out upon credit circulation in this country must be felt in an adverse exchange, and that must be met again by reducing the circulation or by a fall of prices, so as to enable you to import gold to meet that.

742. Mr. *Wilson.*] Supposing a railway contractor to be performing works, and paying wages to the extent of 50,000*l.* a week in the neighbourhood of his works, and that he pays all those wages in Bank of England notes, if he were to make an arrangement with a country banker to take his notes instead of Bank of England notes, the only effect of that would be a substitution of one class of notes for another, but no increase; would not that be so?—I think there might be an increased circulation in consequence of this more active employment.

743. But the increased circulation would have already taken place in consequence of the new demand for the new purpose, the creation of the railway; and the mere substitution of the country banker's notes, either for gold which had been used before, or for Bank of England notes, would not be an increase to the aggregate circulation of the country?—But we are assuming that these new works would create a new demand for circulation, in which case I think the demand for circulation might be supplied by country bank notes to some extent, which would be an increased circulation independently of the amount of circulation which was in existence at the time.

744. But that would only be a circulation which was called into existence by a new demand, and which would cease with the demand?—Yes.

745. It would, therefore, not be the will of the issuer which created it, but the demand for the works for which it was required?—Yes, solely that.

746. Then I understand you to say, that whether as regards the Bank of England, or as regards country issuers, the amount of their circulation from time to time is not determined by the will of the one or the other, but by the wants of the public from time to time?—Certainly.

747. We have heard a great deal about the duty of the Bank of England to contract its circulation at particular periods. Speaking from your experience, should you say that there are any means by which at any particular moment, if you willed it, you could contract the active circulation in London?—No, I think there

there are no means in the hands of the Bank of England of contracting it materially.

748. It has been urged upon you frequently to sell securities in order to contract the circulation. What would be the effect of the sale of securities upon the circulation of the notes?—It would be entirely nugatory.

749. Then, that which has been supposed to be the strongest machine that you had in your power to contract the circulation, namely, the forced sale of securities, would not, in point of fact, have that effect?—Decidedly not, in my opinion.

750. Supposing you were to send to your broker, Mr. Mullins, 300,000 *l.* of any particular security, to sell in the market, and he was to effect the sale in the course of the morning, receiving payment in cheques upon the Bank of England (which it is very possible he might), would not the only effect, as to the position of the Bank in the evening be, that you would hold 300,000 *l.* less of Government securities, and hold 300,000 *l.* less in deposits?—That is almost invariably the course.

751. Your liabilities in deposits would be diminished by 300,000 *l.*, and your securities would be diminished by the same amount?—That would be so.

752. Then, supposing, on the other hand, that he were to sell the 300,000 *l.* of securities to six different persons, in amounts of 50,000 *l.* each, who paid for them by giving him cheques upon private bankers, or brought Bank of England notes from the private bankers for the purpose, would not the effect of that be, that each of those private bankers, keeping only a sufficient reserve of notes in their possession from day to day to conduct their business, would have to send to the Bank of England for the 50,000 *l.*, in order to give them to the customer or to replace their reserve?—Yes, that would be the effect.

753. Therefore, in point of fact, the whole effect of a sale of securities at such a time would not be to diminish the notes in the hands of the public, but merely to diminish your liability upon deposits, and to diminish the securities you held against those deposits in the shape of Government stock?—That would be the sole effect.

754. And if A. B., the purchaser of 30,000 *l.* of the securities, banked with Jones Loyd & Co., and Jones Loyd & Co. gave a cheque upon you, the same effect would be produced?—Yes.

755. In fact, it would simply act upon the deposits in the hands of the Bank, not upon the circulation of the Bank?—Certainly.

756. Therefore, you would have no power of contracting the circulation by that means?—It would be quite nugatory.

757. An opinion has been held that the Bank ought to regulate its circulation according to the state of the exchanges, and that if there is a drain for bullion caused by an adverse exchange it ought to contract the circulation in the hands of the public; do you believe that to be possible?—No; I think that is not possible. The drain acts upon our reserve of bullion, and we are obliged therefore to attend to the causes of that drain, so as in some measure to protect the reserve; but as far as the active circulation in the hands of the public is concerned, I have not been able to trace any material effect from all the measures of restriction which we have been forced to take during the last three or four years. The active circulation in the hands of the Bank has remained very much as usual, though our reserve has been acted upon so as to reduce it to 3,000,000 *l.*

758. Previously to 1844, in all the evidence that was given before Committees of the House of Commons, and in the various publications that were brought out upon the subject, it was held as a rule that the circulation of notes in the hands of the public ought to fluctuate in the same way as bullion in the Bank of England fluctuated?—I believe that was assumed.

759. Has your experience, since the passing of the Act of 1844, which was assumed to give force and effect to that principle, enabled you to say whether there has been any difference in the principle of the fluctuation of notes in the hands of the public generally, as compared with bullion?—No; I think that the notes in the hands of the public have fluctuated exactly in the same way as before. You are aware that the holders of that particular theory now include the reserve of the Bank of England in their definition of circulation, in which case there has been a difference in the amount of circulation.

760. But we are taking what was meant by the word "circulation," in the

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evidence before the Parliamentary Committee of 1840; what was meant by "circulation" in those days was notes in the hands of the public?—It was.

761. Therefore, comparing the same thing in each case, namely, the circulation in the hands of the public, before 1844 and since the Act of 1844, you are unable to discover any difference whatever in the principle which regulates the fluctuation now, as compared with that which regulated the fluctuation prior to the Act of 1844?—No, I should say not.

762. Supposing the Bank were to attempt to give effect to the principle of contracting the circulation in the case of an adverse exchange, would not the effect be an immediate drain upon you for gold for internal circulation, for the purpose of replacing your notes?—I think it is likely.

763. Supposing you were to attempt to withhold the notes for the purpose of reducing the amount of the circulation, your depositors would claim gold instead of notes?—Yes.

764. The effect, therefore, of any attempt to carry out that principle, would simply be very greatly to aggravate the drain of gold at that moment taking place for foreign purposes?—It would probably aggravate the drain of gold for internal purposes.

765. More gold would be required for internal purposes at the very moment that more gold was required for external purposes?—I think so.

766. What has been called the bullion theory, in all the discussions that have taken place in the various Committees of Parliament, has simply been, if I understand it rightly, the principle of maintaining cash payments, and the convertibility of the notes, by an adequate reserve of bullion from time to time; do you understand it to be anything more than that?—I think it results in that; the object of the framers of the Act of 1844 was to make the circulation fluctuate as a metallic circulation would do, including, of course, the reserves of the bankers.

767. Can you point out to the Committee any possible way in which a mixed circulation of gold and notes can fluctuate in any other way than a metallic circulation would fluctuate, so long as those notes are easily convertible into gold at the will of the holders?—No; I imagine there can be no distinction between the two.

768. Then, so far as that was one of the objects of the Act of 1844, that object is sure to be realised so long as notes are convertible easily into gold?—So long as you have a sufficient currency, and the notes are convertible on demand.

769. The whole resolved itself into a security for the convertibility of the note?—I think so.

770. As long as the note is practically convertible, the fluctuation must be identical in both cases?—I think so.

771. You have given some evidence with regard to a central bank of issue, as distinguished from a bank of deposit or any other business; is it your opinion that a bank purely of issue would have as much facility for managing the circulation as a bank of ordinary business, including a deposit business, like the Bank of England?—No; my opinion is, that it would not have such facility of issue as the Bank of England.

772. Are you of opinion that there would not be either the same facility of contracting the circulation according to the wants of the public at any particular moment through the operation of natural causes, nor would there be the same facility of extending the circulation to meet the wants of the public as those wants might increase; inasmuch as a large banking business affords greater facilities for conducting and managing the circulation than could be possessed by an establishment which should be purely a bank of issue?—I think so.

773. Through the action of your deposits, your discounts, and your repayment of bills falling due, and so on?—Yes.

774. Your general business affords facilities for managing the circulation of the notes which any pure bank of issue could not possess?—I must make a reservation there; according to the law of 1844, the issue of notes may be said to be automatic, it is self-acting. The business of the Bank might proceed, no doubt, in the same way as it does now, if the issue department were entirely separated from it; but I do not think it would be so convenient if the issue department were separated from the Bank of England, because there would be no inducement to change the notes for gold, or the gold for notes; there would be

be a greater amount of trouble and inconvenience in doing so. At present the change is effected through the medium of the banking business of the Bank.

775. But at the present time, when the bank of issue is a part of the Bank of England, you have not two bodies to deal with, it is all one body with one common liability and one common set of assets. You have a distinction between your departments which may be important or not, but still it is not at all the same distinction as it would be if the issue were conducted by a different body?—There is a virtual distinction.

776. Is it not simply a distinction on paper?—It may be said to be merely a separation and division of the accounts.

777. Simply in the form of keeping the accounts?—It may be so called.

778. If there was a separate bank of issue at the west end of London, or even in the same street in London, if it were a separate body with separate and distinct liabilities, and under separate and distinct management, for which the Bank of England was in no way responsible, and with which it was in no way connected, would not the thing be totally different?—I do not conceive so; I think there would be no real difference, provided the bank of issue was conducted upon the same principle upon which the issue department is conducted at the Bank.

779. Have you not more facilities now in managing the whole business of the two departments, the issue and the deposits, than you would have if you had a separate body to deal with for your notes?—I think it is a much more convenient arrangement that the two should be under the control of one body.

780. You have pointed out some disadvantages which would be experienced from a central bank of issue; are there any advantages which you can see from such an establishment?—I can see no advantage in the change, and so long as the Legislature are satisfied that the Bank of England does not issue more notes than are warranted by law, there can be no advantage, I conceive, in removing that department from the Bank of England, and placing it in any other locality.

781. But speaking of the issues to the public, which you have said are the only effective issues for the purposes of trade, the Bank of England you have told us has no control over the extent of the issues, but is acted upon by demands from the public, or by circumstances over which the Bank has no control?—I think so.

782. Therefore the Legislature could have no object in passing a law to put a limit upon the amount of the circulation?—Not upon the amount of active circulation; it would be impossible for anything that the Legislature could do to have any effect of that kind; all that the Legislature can do, is what it has done; namely, to say that a certain portion of the active circulation only shall be a credit circulation.

783. All that the Legislature has done, is to say what amount of bullion you are to keep against your circulation; is not that the effect of the law?—Yes, that is the effect.

784. A central bank of issue has been recommended, upon the ground of the greater security which it is supposed that it would afford, inasmuch as a central bank of issue that had the business of issue only, would have no other liabilities against the securities and bullion which it held. Suppose there was a separate and distinct bank of issue now, which held a certain amount of securities, and a certain amount of bullion, the same that your issue department contains, and that it had no other business, then the notes in the hands of the public would have a lien upon those securities and that bullion, and no other claim could be made upon them, except for the notes; therefore, there would to that extent be an additional security for the notes, taking the notes separately. Would not that be the case?—They would have less security than they have now, not an additional security; they would have the Government securities and the bullion.

785. At the present time the securities and the bullion which are placed in the issue department are part of the general assets of the Bank of England; and in the event (supposing such a thing possible, which of course we know is not possible) of a bankruptcy of the Bank of England, those assets in the issue department would not be appropriated for the note-holders exclusively?—I think not; I think there is nothing in the Act of 1844 which distinguishes the security of one portion of the business of the Bank from the other, whether as a bank of issue or a banking department.

786. You have two or three classes of creditors; you have your depositors, you

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you have the holders of your seven-days' bills, and you have the holders of your notes; and you consider that all the assets, bullion and securities in the Bank of England, whether in the issue department or in the banking department, are alike liable for the payment of those liabilities?—I know nothing in the Act which distinguishes between the different securities.

787. But if there was a separate body whose business was only the issue of notes, in that case the notes in the hands of the public would have a lien upon the bullion and the securities in the possession of the Bank, and no other creditor could come against them; there would be that distinction in their favour?—The holders of notes would be the only creditors.

788. Therefore, as against the disadvantages which you have described as belonging to the plan of a sole bank of issue, as compared with a bank of issue combined with a bank of deposit, the only advantage of such a plan would be the additional security, imaginary or otherwise, which that bank would afford to the holders of the notes?—That is all.

789. If the establishment to which the issue of notes is entrusted be one of so unexceptionable a character as the Bank of England is known to be, possessing so large a capital and so large an amount of securities, and conducting its affairs with so much publicity, that question of security is a very unimportant one?—I think entirely unimportant.

790. Supposing the suggestions made in the evidence in the year 1840 were to be carried out, and a common bank of issue were to be established, with the view of absorbing the whole circulation of the country, would not there be immense practical inconvenience in furnishing the country circulation by that means?—I think that would be the effect; I think a great portion of the country circulation would be abandoned, and, perhaps, coin would be substituted for it.

791. To that extent there would be a great public loss by wasting the capital represented by that amount of metallic circulation, which is now performed equally well by paper?—That is my opinion.

792. Would not the only way in which that could be avoided be by the central bank of issue having branches in every small town and every country village, as in Scotland?—Yes, you must attend to the supply of the country if you are to maintain the circulation.

793. Supposing branches were established for such a purpose, and not for the general purpose of doing banking business, would not the expense of those branches be very great, probably much greater than the profit to be derived from the circulation?—I think so; moreover, I think that branches of a simply issuing bank, unless it entered into other banking business, would have no power of issuing its notes. A country banker now issues his notes in the course of his banking business.

794. In point of fact, it is only by the ordinary daily transactions of a bank, that the circulation can be issued and taken in, as the wants of the public require?—I think that is so. The payments and receipts of the Government, of course, might maintain a country circulation to a considerable amount. I am not prepared to say what would be the necessary establishments in order to maintain that circulation.

795. Must not one of these two consequences arise from an attempt to establish such a system, namely, either that the notes now used in the country by the country banks would be lost, and gold substituted for them, and thereby great waste of national capital would take place, or that you would have to establish branches in every village and small market town, the expense of which would be more than the profit of the circulation, if separated from other banking business?—I think that would be the effect.

796. Therefore, the great profit which it is supposed by some persons would attach to a Government circulation, if the Government attempted to absorb the whole circulation of the country, would in point of fact amount to nothing; at least it would be very much diminished, if not altogether absorbed, by that expensive machinery?—I doubt very much whether the public would make the profit which they now derive from the allowance made to them by the Bank of England of 180,000*l.* a year.

797. Is there, in your opinion, a great exaggeration on the minds of the public as to the profit derived from the issue of notes?—I conceive that there is; I think

I think it is demonstrable that the Bank under certain circumstances even loses by its circulation. When as at present conducted there is a large amount of bullion in the country, and consequently a large amount issued upon bullion, sufficient not only for the guarantee of its active circulation, but also for its reserve against those deposits, it is clear then that there is no profit upon the circulation upon securities; and the Bank has to pay for that privilege to the Government 180,000 *l.* a year.

798. At such a time you have as much bullion in your possession lying idle as will represent the whole circulation?—Yes.

799. At such times, when you have a large amount of circulation, your deposits are much larger than usual, are they not?—They are so.

800. Therefore, you require to keep a reserve against your increased deposits as well as against your circulation?—No doubt.

801. You could not part with your bullion safely?—You could not part with a great portion of it.

802. Is there not also a great advantage to the public in the issue of notes by such a bank as the Bank of England in this respect. If bankers derive profit from the issue of notes, does not that profit find its way in another form to the public by a diminished charge for banking facilities; would not that enter into the ordinary calculation of the profits of banking, and induce the banker to do the business upon more favourable terms to the public than he would do if he had not that profit?—Of course he is more ready, I suppose, to grant accommodation in his own notes than he would be if he had to provide capital from other sources; to that extent probably it may be the case.

803. Is it not the fact, that when there is open competition in business, bankers, like other people, will do the business at the lowest possible rate that pays them, and if they have a source of profit derived from circulation, that will enter into their calculation, and the public will indirectly get an advantage from it?—No doubt.

804. Competition will make them do the business as advantageously to their customers as they can?—No doubt.

805. For example, in Scotland the terms upon which banking business is done are notoriously more favourable to the customer than they are in any part of England, and that has been attributed to the profit which the bankers in Scotland derive from their circulation; you are aware that in Scotland there is no such thing as bankers charging a commission to their customers for keeping an account, but on the other hand, they give interest upon balances left from day to day in their hands; now, if you were to take away from them the profit they at present derive from the circulation of their notes, do not you think they would be obliged to diminish the rate of interest that they allow upon deposits, or to charge commission upon their banking accounts?—I am not aware what the terms of their business are with their customers; but I should have supposed that as far as the diminution of any interest allowed upon deposits went, they would not venture to reduce that very much, as long as there was the competition of the London money-market in existence; I was not aware that they did not charge a commission to their customers upon accounts.

806. When people talk about the profit which would be derived by a Government issue of notes, do not they overlook, not only in the first place the great expense that the Government would have to incur in managing such an issue, but also the indirect advantage which the public at present derive from the better terms upon which the country bankers now do their business, by reason of their having the profit of the circulation, than they would do, if they had not the profit of the circulation?—I think they do. I think the profit of a Government issue of notes is very much exaggerated.

807. Do you think it at all likely that if the Government were to attempt to absorb the whole circulation of the country, as was recommended in 1840, by a central bank of issue, and if that circulation were carried on as conveniently to the public, and were as well distributed over the whole country as it is at present, it would be possible to do that without considerable additional charge?—I think it must involve very considerable charge.

808. Would it not require very numerous agents over the country, whose offices being very responsible, would require to be well paid, thus causing very large expenditure?—I conceive so.

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809. Do you think that the profit derived from the notes could possibly pay for so large an expenditure?—I think that the difference between the profit that could be made then, and what the Government receives now, would hardly be inducement sufficient for a change. We have an example how a circulation is extended and maintained in the Bank of France, where the circulation has been of late years much extended through the medium of banking operations in the country.

810. The Bank of France conducts its country business by local banks, which, like the banks in Scotland, derive profit from general banking business; but a Government bank of issue alone would be deprived of those advantages?—I think so.

811. Will you refer to your two answers, 164 and 165, in your first day's evidence before the Committee in the last Parliament. Mr. Wilkinson asked you: "With regard to the division of the two systems, the issue and the banking departments, I understood you to say that the two are practically entirely distinct; are they likewise legally distinct?" your reply is, "Quite so." In answer to the next question, you say also, "Certainly." You say they are legally distinct, as well as practically distinct. Now, that answer would appear not quite to conform to the answer you have given to-day. Do you mean that they are merely distinct according to the provision of the Act of 1844?—That was the meaning of the answer I gave to Question 165, where Mr. Wilkinson asked, whether, supposing the Bank had been driven so close as to stop payment on such an occasion, it would not have had any right to take any portion of the 8,000,000 *l.* of gold legally. According to the provision of the Act of 1844, it could not help its banking reserve by taking any portion of those 8,000,000 *l.*, which had been issued against the circulation in the hands of the public. That was what I meant.

812. You only meant by that, that under the provisions of your charter, you could not with propriety take the bullion out of the issue department for the purpose of paying the depositors?—Certainly not, under the provisions of the Act.

813. But with regard to your legal liabilities to your creditors, there is no question, I apprehend, that the bullion in the issue department would be liable to pay the demands of the depositors?—I suppose, if we came under the Winding-up Act, that would be the effect.

814. Mr. *Ricardo.*] Have you ever had a legal opinion upon that point, or is that simply your own opinion, that the bullion in the issue department would be liable for the debts of the banking department?—No, it is only my opinion.

815. Mr. *Wilson.*] Are you aware whether the Government have ever taken an opinion upon the subject?—I am not aware that any opinion has been taken upon the subject.

816. Mr. *M. T. Smith.*] Is there anything in the Act of Parliament which would lead to the opinion that it is possible that any difference could be made in that respect between a note-holder and a depositor?—According to my recollection, there is nothing whatever to distinguish between the two.

817. Then, in the case of your coming under the Winding-up Act, they would all rank *pari passu*?—I think so.

818. Mr. *Ricardo.*] That is your impression?—That is my impression.

819. Mr. *Wilson.*] If a man carries 100,000 *l.* of gold to the Bank of England, and sells it to the Bank of England, it is placed in the issue department, is not it?—It is.

820. The man would, in all probability, not take notes, but have the 100,000 *l.* put to his credit in your books?—That would happen, probably.

821. Therefore that 100,000 *l.* would immediately be converted into a deposit?—In such case it would.

822. Supposing any other version of the Act from that which you have supposed, were the correct one, the effect would be to place the gold which had been put into the issue department by your customer as a distinct security in favour of the note-holders, and to deprive him as a depositor entirely of the security which that gold afforded?—Yes, that would be the effect.

823. If he placed that 100,000. *l* in another bank, the whole of the assets of the bank would be liable to him as a depositor in common with the other creditors?—Yes.

824. In

824. In point of fact, are you aware of any distinction of right existing between the different creditors of the Bank towards the assets of the Bank?—I think there is no legal distinction in the event of a winding-up.

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825. Will you look at Paper 21,* before the Committee. This is the form in which the Bank accounts are now kept, in order to bring about the division of departments, as contemplated by the Act of 1844?—

* *Vide* Appendix, No. 24, p. 241.

[*The following Paper was handed to the Witness:*]

BANK OF ENGLAND, 9 May 1857.

ISSUE DEPARTMENT.

	£.		£.
Notes issued	23,567,945	Government Debt	11,015,000
		Other Securities	3,459,900
		Gold	9,092,945
		Silver	—
	£. 23,567,945		£. 23,567,945

BANKING DEPARTMENT.

	£.		£.
Capital	14,553,000	Government Securities	10,303,838
Rest	3,328,676	Other Securities	18,630,357
Public Deposits	5,163,146	Notes	4,226,355
Other Deposits	10,081,864	Gold and Silver Coin	715,182
Seven-day Bills	749,046		
	£. 33,875,732		£. 33,875,732

Yes.

826. This is an exact copy of the Return presented on the 9th of the present month?—Yes.

827. The issue department consists, on the credit side, of Government debt and securities to the amount of 14,475,000 *l.*, and of bullion to the amount of 9,092,945 *l.*, making a total of 23,567,945 *l.*?—Yes.

828. That is balanced by what are called notes issued to the same amount?—Yes.

829. Do those notes, to the extent of 23,567,945 *l.* constitute the liability on the part of the Bank of England?—No doubt.

830. Not to the whole amount, do they?—With the exception of the amount which we hold in reserve.

831. But then the Bank of England hold in reserve 4,226,335 *l.*?—Yes, of those notes.

832. Therefore, in point of fact, the only liability which you have in respect of those notes is for the portion of them which are in the hands of the public?—That is the only liability.

833. The difference between those two sums, the notes issued from the issue department, and the notes held by the banking department, represents the amount held by the public?—Yes.

834. Therefore, the real liability of the Bank, as a Bank, is 19,341,590 *l.*?—Yes; that is the liability.

835. Then the 23,567,945*l.* of notes issued is not the real liability, but a nominal account?—Yes.

836. Then, coming to the banking department, on the debtor side of the banking department, you, first of all, have properly placed the proprietors' capital; next is the rest, constituting the entire available capital of the Bank; then you have the deposits, and the seven-day and other bills; those constitute the whole liabilities of the Bank, excepting the circulation in the hands of the public?—Yes.

837. If to this you add the net circulation in the hands of the public, then you come to the gross liabilities of the Bank?—Yes.

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838. So that the liabilities of the Bank to the public would be 53,217,322*l.*?—Yes.

839. On the other side you have Government securities, other securities, and the remainder is notes and gold and silver coin; those, with the securities and the bullion in the issue department, would come to the same amount of 53,217,322*l.*, and would constitute your whole assets?—Precisely so.

840. Taking the whole of those liabilities on the one hand, and the whole of those assets on the other, is there any real division between the one and the other in any way corresponding with this division in the return as it is published; are they not all common assets on the one hand, and all common liabilities on the other hand?—I think they are; they are divided, for the purposes of the Act of 1844, as a matter of account; but I think the legal effect is, that they are all liabilities to which the assets are applicable in the same proportion.

841. In the banking department your reserve is represented here by 4,226,355*l.* of notes, and 715,182*l.* of coin; those constitute your reserve, making together 4,941,537*l.*?—Yes.

842. You are aware that the public are in the habit of looking at those notes in the banking department as being the reserve of the Bank of England, and as representing the whole of its power to give facilities to business or otherwise?—Yes.

843. In an early part of your evidence, you stated that the reserve of a bank ought to consist exclusively of that in which it can legally discharge its liabilities; now, seeing that you have a reserve of notes almost exclusively in your banking department, which are not a legal tender by the Bank of England, do you not think that it is a contradiction in terms, that the reserve of the Bank of England should appear to consist of its own notes which it cannot offer in payment, unless people chose to take them?—I think you must take that in connexion with the issue department, and when it is known that the reserve held by the banking department is issued upon gold, the result you arrive at is, that that is a bullion reserve, though it is stated as notes; they are bullion notes in point of fact.

844. In point of fact are these in reality notes, or do they not in fact represent part of the bullion in the issue department?—There is no doubt they represent part of the bullion in the issue department.

845. If you have a demand upon you, either for the payment of notes, or for a drain of bullion from your deposits, in neither case are those notes applicable to meet the demand, but must you not fall back upon the bullion in the issue department?—No doubt.

846. Therefore the reserve of the bank to meet its liabilities, either in the issue department or the banking department, is the 9,092,000 *l.* of bullion, plus the gold and silver coin in the Bank of England?—That is the reserve, no doubt, against its total liabilities.

847. Unless you combine these two accounts and read them together, they are all a contradiction. You have notes which are not a legal tender passed off as the reserve of the Bank; and in order to make them a legal tender, and to constitute them a real reserve, you are obliged to combine the banking department with the issue department, and to adopt the bullion in the issue department as the reserve of the banking department?—It amounts to that; at the same time it is a convenient division of the liabilities of the Bank.

848. This reserve of the banking department which you have got here as "notes" is a mere indication of the bullion which you have in excess, which you are obliged to hold against the notes in the hands of the Bank?—Yes.

849. Will you have the goodness to look at this paper, which exhibits the same account in another form?

[*The following Paper was shown to the Witness.*]

Bank of England, 9th of May 1857.

Dr.	£.	*Cr.*	£.
Capital	14,553,000	Government Debt	11,015,100
Rest	3,328,676	Government Securities	13,763,738
Public Deposits	5,163,146	Other Securities	18,630,357
Other Deposits	10,081,864	Bullion £.4,866,590 / £.4,941,537	9,808,127
Circulation Notes	19,341,590		
Seven-days Bills	749,046		
	£.53,217,322		£.53,217,322

The

The paper I have now handed to you represents the same account, stating the whole assets of the Bank on the one side, and the whole liabilities on the other, in the way in which we have been talking about them, does it not?—Yes.

850. You see that on the one side the liabilities of the Bank are stated as the "capital" in the first instance, the "rest" in the next; and then the "public deposits," "other deposits," "circulation in the hands of the public," and "seven-day bills"?—Yes.

851. Those together amount to 53,217,322*l.*?—Yes.

852. That is the whole of the liabilities of the Bank of England brought into one account?—Yes.

853. On the other side we have the whole assets of the Bank converted, in the same manner, into one account. There is the "Government Debt, 11,015,100*l.*" "Government Securities," brought together instead of being separated into two, "13,763,738 *l.*" "Other Securities, 18,630,357 *l.*" Then there is "Bullion," as a whole, "9,808,127 *l.*"?—Yes; that balances the account.

854. And there the reserve of the Bank is the amount of bullion?—Yes. When you say the "Reserve," that is the amount of bullion which is immediately applicable to the demands upon it from its liabilities.

855. That is the amount of bullion which is applicable, as a whole, to the liabilities, whether of deposit or of circulation?—Yes.

856. The Act of 1844 requires that all notes in circulation above a certain amount shall be represented by bullion. Now, dividing the bullion into two parts, the amount of 4,866,590 *l.* corresponds exactly with the difference between the 14,475,000 *l.* of fixed circulation and the actual circulation?—Yes.

857. And the amount of 4,941,537 *l.* represents the notes and the coin in the Banking Department?—Yes.

858. Then the whole of this machinery amounts simply to this: that the whole of the liabilities of the Bank, on the one hand, having an equal legal claim upon the whole of the assets, whether they consist of securities, or whether they consist of bullion, you have 9,808,127 *l.* as the reserve against those liabilities?—Yes; you must except, however, the capital and the rest as having an equal claim; the deposits and notes, and seven-day bills, of course, have the preference.

859. The proprietors' capital and the rest, no doubt, are claims which would not rank until the other claims were paid; but still, in making out the account, those ought to be put as a debit to the Bank?—Yes.

860. Do you not think that an account furnished in this form would be much more intelligible to the public, and much less likely to mislead, than the double account as it is at present given, and which, in point of fact, contains upon the face of it an inconsistency very difficult to understand?—If you retain the same limitation, as regards the issue, that the Bank is allowed to make upon securities, I think it would be more advisable to retain the present statement of account, which clearly points out the amount of notes, or of bullion, according as you read it, which is applicable as the reserve of the country. This statement of account is very good, provided there is no limitation upon your issue.

861. Assuming that the same limitation is to be kept, and supposing it were to be enacted, that on the one hand, under no circumstances, should the Bank of England hold less bullion than the difference between the circulation in the hands of the public and the fixed amount of securities, and that on the other hand they should never hold a less amount of Government securities than that fixed amount, the rest being left in the discretion of the Bank of England as at present, would not all the objects of the Act be gained?—The public would draw the same inference as they do now from the statement of our reserve. The public would feel, the moment our bullion came down to 10,000,000*l.* or 9,000,000*l.*, as the case might be, that the power of the Bank to issue to the public was becoming more and more limited. They would recollect, that in 1847, when the bullion was reduced to 8,500,000*l.*, the power of the Bank was then restricted to about 1,100,000 *l.* Whatever statement of account is adopted there will be the same effect from the same series of causes.

862. But it is not at all desirable that such an effect should not be produced. Is it not desirable that the public should know from time to time when the Bank is getting low in its reserve, and would it not be a great object that the public should understand why it was that the Bank was getting low at the present time. According to the present form of account, the public, who do not understand these questions very well, are misled by the belief that it is of notes that the Bank is

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scarce, and not of bullion. Now, do not you think that if the account were given in such a form as to show, not an apparent deficiency of notes, but the actual deficiency of bullion, there would be a more intelligent view taken of this subject by the public than is the case at present?—I was not aware, as a matter of fact, that there was that misconception on the part of the public.

863. You are aware that whenever there is a pressure upon the Bank of England, the common complaint is that the notes at the Bank of England cannot be had; that the notes are getting low; that there is a small reserve of notes?—No doubt that is the cry; but I presume that is merely the expression of the public feeling of alarm that the gold and bullion at the Bank of England has descended to so low a point as to restrict the power of issuing more notes.

864. Do not you think that it creates an impression in the mind of the public that it is a scarcity of notes, and not a scarcity of bullion, that causes the pressure; and does not it very frequently create this impression against the Government, and also against the Bank, that a remedy which you could easily give, by the issue of notes, which appears to be in your power, is not given; whereas, if the public saw that the evil really was a scarcity of bullion, over which the Bank had no control, they would be more satisfied, because they would see the real cause of the evil?—My impression is, that the effect would be rather in the opposite direction; they would say, "Why, here the Bank has got 9,808,000 *l.* of bullion; certainly, with that amount of bullion, they might accommodate the public with more notes." I think that would be the result of this statement of the account.

865. But, according to this, you would have 9,808,000 *l.* of bullion; now, if people saw that that bullion was descending from 15,000,000 *l.* down to 9,808,000 *l.*, they would understand exactly what was the cause of the drain upon the Bank; that it was for the purpose of making foreign payments, and that it had nothing whatever to do with the issue of notes?—Yes; I conceive they would draw that inference; they must do so.

866. Do not you think that it is very advisable that there should be no misapprehension in the public mind as to the nature of an account of this kind, which they look to with so much anxiety?—I certainly think it is very desirable that there should be no misconception in the mind of the public; but I am not quite satisfied but what the present state of the account, distinguishing the liabilities of the Bank, does not render clearer to the public the position of the Bank as regards the demands upon it for foreign payment than would be the case under that which was formerly the form of statement, and which you now propose.

867. You think, that as long as the law imposes upon you the necessity and duty of keeping a certain amount of bullion in proportion to your circulation, and securities for the remainder, it is much better that that should be shown in the account?—I think so.

868. If it is much better that that should be shown in the account, will you look at this form?—

[*The following Paper was handed to the Witness:*]

Bank of England, 9th of May 1857.

Dr.	£.	*Cr.*	£.	£.
Capital	14,553,000	Public Debt	£.11,015,100	
Rest	3,328,676	Securities	3,459,900	19,341,590
Public Deposits	5,613,146	Bullion	4,866,590	
Other Deposits	10,081,864	Public Securities		10,303,838
Circulation	19,341,590	Other Securities		18,630,357
Seven-days' Bills	749,046	Bullion Reserve		4,941,537
	£. 53,217,322			£.53,217,322

That form you will see is exactly the same thing as the last, only in the division you will see that the whole assets of the Bank are placed on one side as before, and you will see that the liabilities of the Bank are, public debt, securities, and bullion, making together a total of 19,341,590 *l.*, and which represents your liability under the Act to hold securities and bullion to a certain amount?—No doubt.

869–70. Then

869-70. Then it shows the other securities, public and private, which you hold, and the remainder the bullion?—Yes.

871. The fluctuation in that account would show the precise fluctuation of the bullion, and it would show your reserve in bullion, and not in notes?—Yes. It appears to me that this form of account is simply a substitution of the term "bullion reserve" for "notes" and "gold and silver coin" in the Banking Department.

872. Is not that an actual account according to your actual liabilities; and is not the other, using the word respectfully, a fictitious account, which does not represent, in truth and reality, the state of the Bank of England as a whole?—I must say I do not see any great advantage in massing the two statements together, except to point out that the reserve held by the Bank of England is of necessity a bullion reserve, which may be inferred, indeed, from this statement of the account.

873. It may be inferred by a circuitous process of reasoning, and a circuitous process of arithmetic?—Yes. I cannot conceive that this statement of account would be very desirable; provided the law said that the Bank should hold a bullion reserve against its active circulation of a fixed proportion, say one-fourth or one-third, then this statement of the account, I think, would be perhaps better than the present; but the law does not state that; the law states only that you shall issue a certain amount against securities, and that the remainder shall be against bullion.

874. But the balance between the fixed securities and the actual circulation will always represent the bullion reserve?—Yes.

875. And therefore the only difference between the case which you have stated and that which exists upon this paper is, that it would fluctuate from week to week according to the circulation, instead of being a fixed amount; but it would equally show the truth?—Yes.

876. If the account stood in that way there could be no misapprehension as to the liability of the whole of the assets of the Bank to meet the whole liabilities of the Bank?—No. If there was any misconception upon the mind of the public about it, or if they cared at all about it.

877. I understand you to say that the whole effect of the Act of 1844 has been to compel the Bank to hold a larger amount of bullion than it otherwise might have held, inasmuch as it rendered it necessary to keep the amount of bullion at all times bearing a certain relation to the circulation?—It had the effect of forcing the Bank of England to keep a certain amount of bullion which should be a guarantee for the active circulation in the hands of the public, and also to keep a certain amount of bullion which should be a guarantee to their depositors.

878. The Act does not compel you to do that; the Act leaves that to your discretion?—Yes, that is at our discretion, no doubt; but it forces us to keep a larger amount of bullion, inasmuch as it forces us to keep a certain amount of bullion against our active circulation; whereas, under the former state of the law, we were not required to keep any reserve of bullion against our circulation.

879. You have stated that you consider it the duty of the Bank to hold an amount of bullion reserve adequate to cover the liabilities of the circulation, and of the deposits, and you have also stated that the management of the Bank during the last three years would have been just the same without the Act of 1844 as it has been under the Act of 1844, and that the whole resolves itself into the discretion of the managers of the Bank?—The management, I think, would have been the same, if properly conducted, but the Legislature thought it not desirable to leave that discretion in the hands of the Bank Directors; they have therefore placed a limitation upon the amount that they are allowed to issue against securities.

880. I want to call your attention to another misconception on the part of the public, arising from the accounts being in this form. Will you turn to the Bank Returns for 1855 and 1856, in Paper No. 14, p. 21. You will observe, that during June 1855 the reserve of notes in the hands of the Banking Department exceeded 11,000,000 *l.* during the whole month?—Yes. Appendix, No. 12, page 110.

881. Then you will observe that they sink as low as 4,000,000 *l.* in the November of that year?—Yes.

 882. Now

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882. Now during the whole of that period, while there was an apparent diminution of notes in the Banking Department from 11,000,000 *l.* down to 4,000,000 *l.*, there was no increase whatever in the circulation of notes in the country, or in the use of notes; in point of fact, that diminution from 11,000,000 *l.* to 4,000,000 *l.* had taken place without the Bank parting with a single note; but it took place entirely (as you will see, if you turn to the bullion,) by the reduction of the bullion from 17,000,000 *l.* down to 10,000,000 *l.*?—Yes.

883. Is it not a contradiction of terms, very much calculated to mislead, if people see from week to week a reduction in the quantity of notes in the hands of the Bank, while in point of fact not a note has left the Bank, and they have not their attention drawn to the reduction in the bullion, which is rapidly going out of the Bank?—They may draw wrong inferences from it, but I think a little reflection would show them that they were bullion notes, in point of fact, which have been cancelled, against the abstraction of bullion.

884. Your notes in the banking department may be diminished in two ways, either by an increase in the circulation of the Bank, or by a withdrawal of bullion from the issue department?—Yes.

885. Do not you think, that if in your published account the real reserve was expressed in bullion, and not in notes, so as to show the reduction taking place from week to week in the amount of the bullion, and not apparently in the amount of the notes, that would be a more truthful expression of the fact to the public mind, and more likely to inform them correctly of the state of the case?—I think it would point out at once the cause of the scarcity of money; that it was by the abstraction of bullion from the Bank.

886. I will mention one circumstance, in order to ask your opinion whether such a state of things has not a prejudicial effect upon the public mind. You will remember that during the last autumn when there was a great pressure upon the Bank for bullion, which appeared only from week to week by the diminution of its note reserve, great anxiety was felt on the part of the public mind as to whether certain ships that were known to be on their way from Australia to London would arrive or not within a certain period, that anxiety being caused by the known fact that an addition of bullion at the Bank would be likely to give them ease; but in many of the public prints it was commented upon as a very unreasonable thing that the mere accident of a ship arriving with bullion this week or next week should have the effect upon the Bank of determining whether they would issue notes which the trade of the country required, or whether they would refrain from issuing them. Now, supposing that the account had been published in its real form, that is to say, that "bullion" had been there instead of "notes," would not the public have seen that the bullion in the Bank was reduced to a very low point, and would it not have been very intelligible to them that the arrival or the non-arrival of bullion materially affected the power of the Bank to make advances of capital which really consisted of bullion, and not of notes?—But they surely see that upon the present account; they see, in the issue department, that there is only so much bullion on a particular day here.

887. No doubt, those who thoroughly understand the operation of the Act, must know that those "notes" in the banking department, in point of fact, do really represent and are convertible into the term "bullion," in the issue department; but with regard to the great mass of traders and others, who do not understand these questions, would it not be infinitely more intelligible to them if, instead of this bullion being expressed as "notes," it was expressed as "bullion;" and if the variations which take place in the bullion were so represented, instead of being represented in this roundabout way, in the form of notes?—It is difficult for me to give an opinion upon what the effect would be upon the minds of the public, when I have been accustomed so many years to look at this account in this particular form. To me it appears the clearest statement that can be made, and I cannot judge whether another statement of account to persons out of the walls of the Bank would appear clear or not. When once you have been accustomed to a certain system of accounts which you clearly understand, it does not appear so clear to you if stated in a different manner.

888. The effect of the Bank Act of 1844 upon the Bank of England is, in the first place, merely to divide the accounts into those two heads?—That has been one effect.

889. And

889. And next to enforce upon the Bank the keeping of a certain amount of bullion, which, under any circumstances, it would be prudent that the Bank should hold?—That has, also, been another effect. *T. M. Weguelin, Esq., M.P.*

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890. The principle upon which that compulsion has been put upon the Bank of England was, as I understand from the evidence taken in 1840, with the view of securing, under all possible circumstances, the convertibility of the note?—Yes.

891. It appears that the circulation of the Bank of England may be said to be about one-half of the circulation of the whole country, including Ireland and Scotland, being about 19,000,000*l.* or 20,000,000*l.* out of 38,000,000*l.*?—Yes.

892. The Bank Act, with the view of securing the convertibility of the Bank of England note, placed this limit upon the Bank, and took these securities from the Bank of England, the solvency of which everybody was satisfied with, possessing a capital, including its rest, of nearly 18,000,000*l.*, and holding securities to the amount of 17,000,000*l.* or 18,000,000*l.*; did the Act take any steps with the view of securing in like manner the remaining half of the circulation?—By limiting the amount of the circulation to the amount then issued.

893. But it took no security for the convertibility of the notes?—None, I think, except from the Bank of Ireland.

894. It merely limited the circulation to the actual circulation which the banks had at the time?—Yes.

895. Will you refer to page 3, of the paper number 20, before the Committee; there you will find that there were in England 208 private banks of issue and 72 joint stock banks of issue; without any inquiry into the solvency or condition of those banks, the Act of 1844 gave them an actual monopoly of the circulation which they then had, and without taking any security whatever for the convertibility of those notes?—Yes. *Vide* Appendix, No. 21, p. 234.

896. So that while it took security from the only Bank of which we knew anything, it took no security from the 300 banks of which we knew nothing, and had no means of knowing anything?—That is so.

897. This paper gives also an account of the number of banks that have since stopped payment. I think there appear to be 21 private banks that have failed (this account is made up to January) and six joint stock banks, so that there are 27 of those banks that have since the passing of the Act of 1844 failed, and I think the aggregate amount of their circulation appears to have been about 800,000*l.*, which has been partly replaced by Bank of England notes?—That statement does not represent merely the issues of banks which have failed; there are a certain number of banks that have abandoned their issues, and a certain number also which have been consolidated with other banks, which, by a clause in the Act of 1844, also caused the abandonment of their issue.

898. It appears that there were 208 private banks in existence at the time of the Act of 1844, which continued as banks of issue, and that there are now in existence 157 of those banks; that there have ceased to issue by compounding with the Bank of England eight, and that there have ceased by failure 21; and that the remainder have either ceased to carry on business, or have been joined to other banks, or are now carrying on business as non-issuing banks. So that the 21 private banks and the six joint stock banks are those which have failed?—Yes. What I said was, that the 800,000*l.* of notes which have ceased to be issued, must be spread over the whole.

899. Can you conceive that the framers of this Act could intend that such a state of things should be permanent; that while they were passing an Act, the main object of which was to secure the convertibility of the note, and while they were applying to the Bank of England very stringent regulations with that view, they should actually contemplate leaving the other half of the whole circulation of the United Kingdom in this state; not only to let them go on without any knowledge of the solvency of the banks, and without any guarantee or security for the payment of the note (which was the object of the Act), but also to give to those banks, whether good or bad, an absolute monopoly of the issues of the country?—I have no doubt that the intention or the expectation of the framers of the Act of 1844 was, that the compensation clause by which the Bank of England is empowered to compound on certain terms with issuing banks, would have had the effect of absorbing a great part of the English circulation.

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circulation. I believe that another reason why the circulation was left in the anomalous state which you describe was, that Sir Robert Peel felt that he could not carry through Parliament a Banking Act which would absorb all the circulation of the private bankers throughout the country; he relied more upon the gradual operation of that compounding clause, which he expected would, after the expiration of 10 years, have had a much greater effect than it has had.

900. According to this Return, which we have had from the Board of Inland Revenue, that expectation must have been greatly disappointed; because, from this Return, it appears that there are only eight private banks out of 208, and not one joint stock bank out of the whole number, that have availed themselves of the compounding clause?—Yes, that clause has been a failure. I conceive that the Scotch and Irish banks were altogether treated differently; in short, they are under separate Acts.

901. You are aware that, in this respect, they were brought under the Act of 1844; that the clause in the Act of 1844 which prohibited the establishment of new banks of issue in England extended to Ireland and Scotland?—Yes.

902. Would not that state of the law, with respect to country banks, have a prejudicial effect in two ways upon the public. In the first place, if there was an old badly-conducted bank in any place a good bank could not come into existence there, because, not having the right of issue, it could not compete with the bad or inferior bank which had the right of issue. Or if there were two banks in the place, the one a decaying private bank, and the other a young energetic joint stock bank with abundance of capital, the circulation of the declining private bank could not be supplied by the natural increase of circulation which the increasing business of the joint stock bank would have given to it?—No. I conceive that the circulation of a small bank must be of no very great advantage to it. The liabilities connected with it must be considerable; and, taking that into consideration, I doubt very much whether it can be of any great advantage.

903. Without taking into account to what extent it is profitable, would not that be the effect, that the circulation in a town or in a district might be lost in consequence of its having been misconducted by a private bank, whose profit was not large enough to induce it to conduct the circulation well, and at the same time no other bank might be established to take its place?—I think there has been a loss of circulation of notes by the failure of those banks.

904. We have seen that the aggregate circulation of the country remained pretty nearly stationary from 1833 to the end of 1837, but during that time the circulation of the joint stock banks increased from 1,115,521 *l.* to 3,657,415 *l.*; therefore, while the aggregate circulation remained nearly the same, the circulation of those banks which conducted their business most to the advantage of the public, and with the greatest energy, increased?—Yes, apparently that is so.

905. Then if you take the circulation from the 3d of January 1846, when both Acts were in full operation, you will observe that the circulation of the private banks is 4,505,823 *l.*, and that of the joint stock banks 3,162,742 *l.* Now, if you look at the end of the last Return, you will find that the circulation of the private banks has fallen from 4,505,823 *l.* to 3,761,062 *l.*, and that the circulation of the joint stock banks remained exactly what it was, 3,159,608 *l.* So that it appears that the private banks have been decaying, and going down during the whole of that time; but their place has not been filled up by joint stock banks; whereas previously to the Act of 1844, you find that whatever the private banks lost, the joint stock banks gained; but since 1844 it appears, that what the private banks lose, the joint stocks do not gain?—No; the total circulation remains about the same.

906. So that, in point of fact, by giving a monopoly to the existing banks in 1844, the Act took from the public all the convenience and advantage of improved banks taking the place of old and effete banks?—I should be led rather to draw an opposite inference; namely, that as the business of the joint stock banks, which you consider to be the young and enterprising banks, has increased so materially, to the prejudice of the private banks, which you look upon as effete, I should consider that the effect must have been the opposite to what you state.

907. Prior to the Act of 1844, you will observe that the circulation of the joint stock banks increased in proportion as that of the private banks diminished; but after 1846, when the Act limited to each bank a specific amount of circulation,

circulation, the circulation of the joint stock banks did not increase in proportion to the decrease of private banks?—Prior to 1844, I see that the private banks remained very much the same, notwithstanding the increase of the joint stock banks.

908. You will observe that the private bankers had a circulation, in 1833, of 6,163,037 *l.*; and you will observe from the next column, comprising banks from which no return was received, that that amount of 6,163,000 *l.* did not include the whole, but that the private bank circulation was at that time 8,500,000 *l.* You will observe, that before the Act of 1844 was passed, the private bank circulation had become reduced, in the beginning of 1844, from 8,500,000 *l.* to 4,822,675 *l.*; whereas in that time the joint stock banks had increased from 1,115,521 *l.* to 3,234,999 *l.*?—It certainly appears that the circulation of the private banks has diminished very considerably since 1833, but that includes the banks from which no return was received. The private banks now are only 3,761,062 *l.*; they were then 8,500,000 *l.*

909. The private banks, in point of fact, have decreased very much below their fixed amounts under the Act of 1844, while the joint stock banks cannot increase theirs?—The private banks have diminished about 700,000 *l.*, and the joint stock banks have remained very much the same as they were at that time.

910. Then the effect of this Act of 1844, as far as country banks are concerned, has been to check the natural transition from old banks to new banks, and to deprive the country to that extent of the advantage which the country would have possessed if the trade in banking had been left to its natural course?—That is assuming that it is any great advantage to the country to carry on the circulation with notes issued by country bankers.

911. To whatever extent notes in lieu of gold economise capital, to that extent that advantage has not been gained, be it less or more?—That is the whole extent of the advantage to the country, generally speaking. In 1844 the country monthly circulation was 7,400,000*l.*, including the joint stock bank circulation, and it is now 6,800,000 *l.* So that the whole difference is about 600,000 *l.* or 700,000 *l.*

912. But we have now had 10 years' experience of the Bank Act of 1844, and that has been the effect of it during that period. Then I want to ask you, supposing this Act were made permanent in all its parts, as some have advocated, would you think that effect, which in course of time would go on to a much greater extent than has already been produced, a desirable thing to take place?—We must first of all consider that, of that lapsed circulation, a certain proportion has been issued in Bank of England notes. Whether they have practically taken the place of that lapsed circulation I am not prepared to say. There is no doubt a tendency of the country circulation to decrease. It cannot increase, its tendency must be to decrease. I believe that was the view which Sir Robert Peel took of it, and which he considered a desirable result.

913. Sir Robert Peel, I think, contemplated that that Act of 1844 should last for 10 years, and no more?—He thought that by that time the country circulation would be so diminished, that it would be possible to deal with the remainder by legislative enactment.

Veneris, 29° *die Maii*, 1857.

MEMBERS PRESENT.

Sir Francis Baring.	Mr. Hildyard.
Mr. Disraeli.	Mr. Hope Johnstone.
Mr. Ennis.	Mr. Puller.
Mr. Fergus.	Mr. Spooner.
Earl of Gifford.	The Chancellor of the Exchequer.
Mr. Gladstone.	Mr. Tite.
Mr. Glyn.	Mr. Vance.
Mr. G. A. Hamilton.	Mr. Weguelin.
Mr. Hankey.	Mr. Wilson.

THE RIGHT HON. THE CHANCELLOR OF THE EXCHEQUER, IN THE CHAIR.

Thomas Matthias Weguelin, Esq., a Member of the Committee, and *Sheffield Neave*, Esq., Governor of the Bank of England; further Examined.

T. M. Weguelin, Esq., M.P., and *S. Neave*, Esq.

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914. Mr. *Wilson.*] IN your last day's examination we had arrived at the conclusion that the Bank Act of 1844 prescribes very strict rules with regard to the liabilities of the Bank of England, as far as its circulation is concerned, and imposed upon it the necessity of keeping a certain fixed amount of securities and bullion for the remainder of the circulation, whatever it may be, in the hands of the public; and I think we had also found that the Bank Act, while it gave a monopoly to 208 private bankers and to 72 joint stock banks in the country, took no security of any kind whatever, either for the solvency or for the regulating of those banks, beyond limiting their issues to the amount which then existed. I think that is a fair statement of the result of the last day's examination, as far as regards those two descriptions of banks?—I think so.

915. We also saw, that of the 208 country banks which were so privileged, 21 have stopped payment, and that of the joint stock banks six have stopped payment in the meantime?—Yes.

916. And that, if the Bank Act of 1844 were allowed to go on, we should have, in point of fact, one-half of the circulation, or nearly one-half, represented by notes of the Bank of England, all covered by sufficient security, while the whole of the remaining half of the circulation, including Scotland and Ireland, is covered by no kind of securities whatever under the Act?—None that are specially devoted to that purpose.

917. Of course I do not mean that there are no securities in the hands of those banks to meet their liabilities, but that as far as the Act goes, while it takes a precaution with regard to the Bank of England, it has taken no such precaution with regard to the whole of the remaining half of the circulation of the United Kingdom?—Yes.

918. So that if the Bank Act were to go on without alteration, the country would still be exposed to indefinite losses from the failure of existing banks, for the solvency of which the Act makes no provision?—No doubt, there is no precaution taken against the failure of those banks.

919. We also saw by returns which have been laid before the Committee, that the tendency of the circulation of those private banks has been to diminish from a variety of causes, other causes as well as failures, and that the amount of their fixed circulation was gradually being reduced, considerably below the amount which the Bank Act of 1844 prescribed?—The tendency must be to diminish the number of banks. As there are several provisions which enforced an abandonment of their issue, and there are no provisions to allow of their increase, the tendency must be to diminish them.

920. We

920. We saw also that, prior to the Bank Act of 1844, there had been a gradual diminution of the circulation of private banks, from about 8,000,000 *l.* down to 4,000,000 *l.*, and that there had been a corresponding increase in the issues of joint stock banks, which had taken their place in the country, down to the time of the passing of the Act of 1844?—I think that was so.

921. But from the time of the passing of the Act of 1844, while the private banks still continued to diminish their circulation, no corresponding increase took place in the joint stock banks, in consequence of the limit put upon them in the Act of 1844?—Yes.

922. Therefore the tendency of the present regulation is to prevent good and substantial and flourishing banks taking the position of old and worn out banks, as they may disappear from the list of bankers?—But the Act has provided, that the substitution should be by the Bank of England notes, to the extent of two-thirds of the lapsed issue.

923. There is a provision that the Bank of England may substitute to the extent of two-thirds, and that to a certain extent has been acted upon?—Yes. —(Mr. *Neave.*) There is a little more than 100,000 *l.* still outstanding, beyond what we have taken up, still open to be taken up.

924. Mr. *Glyn.*] That is by the voluntary withdrawal of certain banks?—And part by failures; about one half of the lapsed issue has been by failures.

925. Mr. *Wilson.*] (To Mr. *Weguelin.*) I understood you to say that if the circulation of country banks has materially reduced, the mere permission to the Bank of England to issue a larger amount, as a substitution for their lapsed circulation, by no means effects the purpose of supplying the country with Bank notes, in the same way that the country banks have done?—It is my opinion, to a certain extent, that Bank of England notes inefficiently supply the place of the country notes, the circulation of which has been abandoned.

926. For example: you have a number of country banks scattered throughout small country towns in the country, which give up their circulation either through failure or otherwise. Now, if in consequence of that, permission is given to the Bank of England to increase their circulation in a given proportion, do you believe that that permission alone would enable you to keep a larger amount of notes out?—No, I do not think so. I cannot trace any increase in the active circulation of the Bank of England notes consequent upon the permission to issue to the extent of two-thirds of the lapsed circulation.

927. Then the only effect that that really had upon the Bank of England was, that it enabled you to reduce your bullion by that amount more than you would have done if you had not been enabled to make that issue upon the amount of securities?—I think that was the only effect.

928. Therefore the power given to the Bank of England to issue notes in substitution of those notes in the provinces, was at the least a very imperfect mode of supplying that demand?—Yes, I think it is an imperfect substitution.

929. Then, although the professed object of the Act of 1844 was to secure the convertibility of the note under all circumstances, and for that purpose imposed these restrictions upon the Bank of England, it appears that not only no security has been taken for the convertibility of one-half of the notes (that is the country issues), but that, in point of fact, it has left them in a condition more dangerous than they would have been had the circulation of the country followed the natural course of events, and bad banks had been absorbed by good banks?—I should hardly think they are in a more dangerous position, inasmuch as their circulation is limited now; they cannot exceed a certain amount, and therefore their liabilities must be, of course, in each individual case, diminished.

930. Have you not observed, that up to the time of the passing of the Act of 1844, the private banks were rapidly diminishing, and the joint stock banks were rapidly absorbing them?—Yes.

931. But, on the passing of the Act of 1844, it gave to the 208 private banks a monopoly of the circulation up to that extent at that moment; and therefore it arrested the progress of the absorption of those private banks by joint stock banks?—I doubt very much whether the law of 1844 made any difference in that movement. The absorption of the country banks by joint stock banks has been, I think, principally owing to the smaller credit of the private banks, which has caused them gradually to decline, and the increased efficiency of the

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joint stock banks. That action, I think, would have continued, and will continue, notwithstanding the Act of 1844.

932. But, prior to the Act of 1844, any joint stock bank could issue notes at pleasure, and therefore could make an arrangement with any private bank to take over its business; or a private bank might be, as was very commonly the case, converted into a joint stock bank, and made the basis of the business of a joint stock bank; but, under the Act of 1844, that could no longer take place, because a private bank cannot dispose of its circulation to a joint stock bank?—It must abandon its circulation; but there is still the same power, of course, of several private banks consolidating themselves into a joint stock bank.

933. Was it not frequently the case, that if a private bank was in a very weak state, sometimes even in difficulties, a joint stock bank would take over its business, and would make arrangements whereby the private bank might be suspended and absorbed, without inconvenience to the public, and with some advantage to the joint stock bank?—I think that arrangement has taken place since the Act of 1844, as well as previously.

934. Since the Act of 1844 is there not this impediment to that arrangement, that the monopoly of the circulation is given to the identical bank, and therefore it is unable to transfer it to another bank?—Yes; they must abandon their circulation in the event of such an arrangement as that.

935. We have already seen, by the Returns upon the table before the Committee, that the circulation of the private banks had within a few years, down to the time of the passing of the Act, fallen from upwards of 8,000,000 *l.* to about 4,000,000 *l.*, while the joint stock banks had increased in nearly a similar proportion; whereas since that period, although the private banks have gradually fallen in circulation, the joint stock banks have not increased?—Yes; that is owing to the operation of the Act, no doubt.

936. You stated, that you understood that the expectation of the framers of the Act of 1844 was, that in course of time the Bank of England would absorb the circulation of the country banks, and that they regarded it rather as a system of regulation for a transition state?—Yes; that was my opinion.

937. You refer to the provision by which the Bank of England was to allow a commission of 1 per cent. to country banks circulating their notes?—Yes; Clause 24 of the Act, by which the Bank of England is permitted to allow each banker a composition, at the rate of 1 per cent. per annum, on the amount of Bank of England notes which shall be issued and kept in circulation by such banker.

938. That provision of the Act has been very little acted upon?—Very little.

939. I think by the Returns, it appears that it has only been acted upon in the cases of eight banks?—It has been very little acted upon; for in the first place it is not generally desired by the issuers who have the power now of issuing, and in the next place it is by no means profitable to the Bank of England.

940. Has your attention been called to the evidence taken before the Committee of 1840 (upon which evidence the Bank Act of 1844 was framed), with respect to the formation of a central bank of issue, or the possibility of the Bank of England absorbing the whole circulation in course of time?—I have not examined that evidence lately.

941. Mr. Norman gave evidence before that Committee, and after describing at great length the advantages that he thought would arise from a central bank of issue, which should regulate the whole issues of the country, or some plan by which the Bank of England should absorb the whole circulation, he proposed, in answers to a series of Questions 2092 to 2129, that the Bank of England should enter into voluntary arrangements with the country banks to pay them at the rate of 15*s.* per cent., which he described as being of the nature of payment for good will, or as a sort of compensation for the loss of the advantages which the issuing banks then had; and upon that occasion Sir James Graham put to Mr. Norman this question: "But you have contemplated the compulsory suppression of the issue of local notes on terms to be granted to those who now issue, those terms being 15*s.* per cent., to be allowed by the Bank of England; for what term ought that payment, in your opinion, as an equitable arrangement, to endure?" The answer is, "I have some little difficulty in answering that question; it would seem, on the one hand, that if the arrangement

arrangement was general, it should be on the existing amount of the circulation of each particular bank, and to last during the period of the charter, or something of that sort; but unless all country issues were put an end to, or unless this arrangement voluntarily was made general, I think the Bank would be liable to a great loss from arrangements of the kind founded on the actual amount of the circulation of each particular bank, for it might happen that a bank which now circulated 100,000*l.* of its own notes, might not, five years hence, circulate more than 50,000*l.* of our notes; so that, to make the scheme complete upon that point, a good deal of consideration would be requisite, and more than I have given to it." The Chancellor of the Exchequer then asked this question: "Was not your plan rather adapted to a permissive arrangement than a compulsory arrangement?" The answer is, "It was a suggestion to the Committee which they might adopt either way: my own view was that of a voluntary arrangement." Sir James Graham then asked this question: "A permissive arrangement would never concentrate the circulation of the country in the hands of the Bank of England?" The answer is, "Probably not." Then the Chairman said, "Would not that depend upon the amount of inducement held out to country banks to give up their circulation?" The answer is "Yes." Then Sir Robert Peel put this question: "Assuming, for the sake of argument, that it was desirable for the Bank of England to possess this exclusive control over the circulation, upon that assumption, do not you think that it would be a preferable arrangement to make a provision of this kind, that hereafter no new bank of issue should be formed; that 10 years hence the existing banks of issue should not be allowed to issue their own notes; and that in the meantime it should be competent to the Bank of England and to the existing banking companies to make an arrangement, in the discretion of each, for the substitution of Bank of England notes for the present notes?" The answer is, "That, in point of fact, is my own suggestion exactly. I suggested that no new issuers should be allowed; that the existing issuers should have a licence given to them to terminate at the end of a certain number of years; and I also suggested, feeling that competing issues are a great evil, that they might be abolished at an earlier period than contemplated in the second suggestion, if the Bank held out to them all the inducements that it could afford to hold out, to withdraw their circulation previously to the expiration of that period." Does that question and answer, in your opinion, precisely describe the provision of the Act of 1844?—I think so.

942. That question of Sir Robert Peel's exactly describes the provision that he made in the Act of 1844, except that it did not provide at the end of 10 years for an absolute prohibition of country issues?—No, it did not; it provided only for a cessation of the composition paid up to that time by the Bank of England to the issuing bankers, who had relinquished their circulation in favour of the Bank of England.

943. Then that question and answer would appear to show that Sir Robert Peel intended the Bank Act of 1844 as a mere transition state, with the view of introducing ultimately in this mode one common bank of issue?—I believe, not only from the questions which you have read, and from the provisions of the Act, but also from the recollections of Mr. Cotton, who negotiated the Bank Act with Sir Robert Peel, that that was his view.

944. The actual result of the voluntary inducement which was held out to country banks, and which was regarded as necessary in order to give effect to that plan, has, as you have stated, very much disappointed the expectation entertained respecting it?—Yes.

945. Then the whole of the objects or expectations of the framers of the Act of 1844, as far as regarded this anticipation, having been disappointed, do you think it would be consistent with the principles which have been laid down by the Act of 1844, to continue the existing arrangements with regard to country banks?—It certainly would not be consistent, I think, with the intentions of the framers of the Act to continue the present system, or, I may say, the present composite structure of our circulation; but, on the other hand, I do not know that it can be said to have worked ill for the country, although undoubtedly there have been a certain amount of failures amongst the present issuers.

946. If it is the policy of the Legislature to require security for the convertibility of the note, and if no kind of security whatever is taken now from country

banks, which nevertheless have a monopoly of issue, is the present arrangement consistent with that principle?—No, I conceive not.

947. If there is any object in taking security at all, would not that object be much less in the case of the Bank of England than in the case of country issuers?—It is known that the Bank of England offers greater security than country issuers do.

948. And greater publicity altogether?—Greater publicity.

949. The country issuers at the present time furnish no published accounts of their condition at all, except of their issue of notes?—No.

950. They furnish no account whatever of their assets and liabilities in the manner that the Bank of England does?—No, not by law; they are not obliged to do so; the joint stock banks of issue of course state their liabilities and assets to their own proprietors.

951. The joint stock banks furnish what accounts they please to their shareholders periodically?—Yes.

952. But they are not compelled by law to furnish any account to the public, except an account of their issues, while the Bank of England furnishes an account of its assets and obligations weekly?—Yes.

953. Is there any reason that you can suggest why those country bankers which happened to be in existence at the time of the passing of this Act should have a monopoly of circulation as against all other bankers, while they give no security, and no means of satisfaction to the public as to their solvency?—I know of no reason.

954. If the object were only to secure the convertibility of the note, would it not be a better arrangement, that country bankers should be permitted to deposit with the Government public securities, stock to any amount they pleased, and to have a license to issue up to that amount?—That would be a contravention of the spirit of the Act of 1844, so far as the amount is concerned. The principle of the Act of 1844 was to limit the amount of credit circulation, not only of the Bank of England, but of country issuers.

955. But I think we have seen already, by a reference to the returns before the Committee (and which you have fully admitted), that a regulation of that kind affecting to restrict bank issues is, in point of fact, inoperative; that if there were no restriction the bankers could not increase the circulation; they might supplant each other, but they could not increase the aggregate circulation?—I think that requires consideration; I should hardly be prepared to state that as an absolute opinion that I have come to, but I conceive that on a review of the facts since 1825, that opinion is borne out.

956. But we have seen, by referring to the returns before the Committee, that notwithstanding the establishment of 76 joint stock banks of issue in England in about four years, although those joint stock banks succeeded in supplanting a certain number of private banks, and in taking part of the Bank of England circulation, yet the aggregate circulation of the country was not increased by their existence?—That is the result shown by those returns.

957. In your former evidence, you stated that you had found by experience in the management of the Bank of England, that the bank had no power of its own, either to increase the amount of notes in the hands of the public or to diminish them at any particular moment?—No, I think that is independent entirely of the management of the banking department of the bank.

958. Do you know of any reason why a different rule in that respect should apply in the case of country banks; do you think they have more power over their issue than you have over yours?—No, I think not.

959. When you say that bankers have no power over their issues, do you mean that they have no power to increase the permanent aggregate amount, or do you mean that they have no power to increase the amount at any particular time?—I think that as bankers they have no power to increase their circulation; I think it is possible that at times when there is a great spirit of speculation in the country, the circulation of bank notes may increase by reason of the increased wants of the country to support that speculation.

960. That is when there is an increased activity of trade, whether it be speculative or real?—Just so; such as large works going on.

961. And high prices?—And high prices.

962. But the increased circulation would be the consequence, not the cause of such a state of things?—Just so.

963. If

963. If it is admitted that country banks cannot increase their circulation, except as the demands of the public call upon them, does it not follow that all the effect of a free competition in the issue of notes in the country would be, that the banks doing the largest amount of business would obtain the largest amount of circulation, but that it would not increase the aggregate amount of circulation?—Supposing the wants of the country to remain as before, I think that would be the effect.

964. Is it consistent with your experience, that even in periods of great excitement of trade and speculation, the notes in the hands of the public have materially increased?—Not as affects our circulation; I should say certainly not.

965. We have seen already, by referring to an excited period, from 1833 to 1836 and 1837, that even during a period of very great extension of trade, and very great speculation, notwithstanding the efforts of those 76 new banks, yet, even under those circumstances, the circulation did not materially increase?—No, the aggregate circulation certainly was not much affected.

966. Is there not rather a tendency by increased competition amongst bankers, to diminish circulation, by economising it, by means of their constant exchanges with each other?—Yes, there is.

967. If country bankers, as a whole, have no power to increase the aggregate circulation, would it not be much more consistent with sound principles of trade, that they should be allowed to circulate their notes according to the demand from their customers and the amount of their business, provided they lodged with the Government security for the amount of their circulation?—I think it still would be advisable that a portion of their circulation should be represented by gold.

968. The present law makes no provision either for securities or for gold in the case of the country circulation?—It does not.

969. What would be the advantage of the country bankers depositing a portion of gold, or holding a portion of gold, against their circulation?—The advantage, of course, would be the insuring of the convertibility of their notes upon demand.

970. But the ultimate convertibility of the note would be secured by the Government Stock lodged with the Government?—The ultimate convertibility possibly might be secured in that way, but not the immediate convertibility.

971. But if a bank was in such good credit, or in so good a position, as to be able to lodge with the Government a large amount of securities to represent their circulation, they would necessarily have means to protect the convertibility of their note, that is, in point of fact, giving small change for large notes to their customers; do you see any difficulty in such a bank retaining, as at present, only a sufficient amount of coin for carrying on its business from day to day?—Provided there was no discredit to their note.

972. Would there be any chance of discredit if the public knew that in the hands of the Government was deposited public stock to represent the circulation; would not that of itself be almost a guarantee against discredit as far as the notes were concerned?—No doubt it would tend to check any feeling of alarm in case of difficulty.

973. Would not the chance of any run upon the bank be very small if the public knew that for those notes in their hands the Government held a security against them?—Provided that the security was made liable for the payment of the notes, and was not also a security for their depositors as well.

974. We are speaking only now of the effect upon their circulation, irrespective of the general liabilities of the Bank. As far as circulation is concerned, do you see any necessity, under those circumstances, of their holding bullion in a different way than they do at the present time, to meet the wants of their trade from day to day?—I should not like to abandon the principle of insisting upon a certain amount of bullion being held as a guarantee of the immediate convertibility of the note.

975. With country banks Bank of England notes are a legal tender, and they at present hold Bank of England notes as their reserve, answering every purpose that they can possibly require; would it not answer their purpose equally, then, to hold Bank of England notes as a reserve against their circulation?—No doubt, if that would meet the case.

 976. Seeing

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976. Seeing that the whole demand for bullion, beyond the ordinary circulation of the country, is to meet a foreign drain when it arises, and that the whole of that demand falls on the Bank of England, can you see any advantage, on the contrary, is there not manifest disadvantage, in having a large quantity of bullion scattered over the country merely in the character of a reserve at country banks, which might be as well represented by Bank of England notes?—No doubt Bank of England notes would fulfil the same object as the coin.

977. Therefore, if those banks were to give security by a deposit of public stock for their circulation, and to keep, as they now do, a sufficient reserve either of coin for the convenience of their trade, or of Bank of England notes, in case of need, to meet the demands for their deposits and for their circulation, there would be no object in those banks being obliged to keep bullion, independently of the securities which it is proposed that they should give?—A Bank of England note being a legal tender, of course that is as efficient a reserve for them to hold as bullion.

978. If an arrangement of that kind were to be made with regard to country banks, would it not be a great advantage to the country to have the advantage of free competition in banks, as in other business, without incurring any risk with regard to the convertibility of the note, instead of, as at present, the circulation of the country being a strict monopoly?—That is, presuming that their circulation is limited in amount; but I presume your question supposes that there is to be an unlimited faculty of issuing notes, provided only that Government securities should be deposited against them.

979. But, according to your former evidence, (which is quite borne out by the Returns laid before us), there is no necessity to place a legal limit where there is already a self-acting limit?—There is a self-acting limit, as far as the action of the banker is concerned; but I question whether there is not an effect upon the banker's circulation by the greater wants and demands of the public. The banker's circulation may be increased in consequence of an inflated state of speculation.

980. But whatever regulation is made with regard to their circulation of notes, if there is a demand on the part of the public for the payment of deposits or other liabilities of the Bank, and if that demand be not satisfied with notes, it must be satisfied with coin, must it not?—Yes.

981. And therefore it does not affect the whole circulation; it will only determine what portion should be in gold, and what portion in notes?—If his issue is limited, and if the public require an addition to the circulation for the purpose of carrying on particular operations of trade, it must be then entirely by means of coin or legal tender of Bank notes.

982. Would it not amount to this, that for the enlarged trade of the country the same economy, by means of paper, had not been effected as with regard to the smaller trade of the country?—Certainly; increased demands must be then met by an increased amount of gold in the country.

983. Which might just as well and as safely be met in increased paper, so long as that paper was, as before, convertible?—The convertibility of the note is the point of the argument. If you could increase your issues of paper to an indefinite amount against only a certain portion of gold held, and the convertibility remain as before, then I admit that you might increase your issues of paper indefinitely. That is the whole question.

984. But you have stated, and you have given sufficient reasons for the opinion, that there might be a very large increase of business without any active increase of circulation?—I conceive so.

985. In point of fact, according to your experience, during the last three or four years, such has been the case?—Quite so. Upon that subject I must be allowed, however, to state that banking expedients of late years have led to a very considerable economy of circulation. The circulation as existing at the present time does a considerably greater amount of duty than it did many years past; and if the Committee will be good enough to refer to a paper which is before them, Paper, No. 16, containing an account of the number of Bank notes cancelled, and the average amount held by the public, and the average number of days each note remained in circulation in the year 1831, and beginning again at 1844 to 1856, the Committee will perceive there, that in 1831 a 5 *l.* note remained out 115 days, and now it remains out only 70 days. Now, if the average

Vide Appendix, No. 33, p. 300.

average amount of circulation is the same, it is clear that there is a much greater activity of the circulation now than there was in 1831. It will be seen that there has been a greater activity in all denominations of notes. And here, again, in the adjoining page, there is a Return made of the same kind in the years 1729 and 1818. At that time a 10 *l.* note remained out 236 days. In 1818 it remained 137 days out; a 10 *l.* note now remains out 58 days only.

986. *Chairman.*] If any limit is imposed upon the country bank circulation according to the present law, namely, by prohibiting any new bank from issuing notes, and by fixing a maximum for existing banks, is it not necessary that there should be a monopoly to the existing country banks of issue?—No doubt it secures them a monopoly.

987. Assuming that a limit is imposed upon country banks, as you seem to think expedient, according to the principle of the present Act, is it not necessary at the same time, that you should give to the existing country banks a monopoly of issue?—Yes, I think you must give them a monopoly.

988. Mr. *Wilson.*] You could not make it consistent with any principle of competition, because there would be no mode of distributing the circulation?—No.

989. Irrespectively of fluctuations in the amount of trade from time to time, which require a larger or a lesser amount of circulation, so far as issues of notes are concerned the amount is pretty nearly a fixed quantity?—As far as they are concerned it is.

990. Then what object would there be in placing a legal limit, if a limit is placed by natural circumstances over which bankers have no control?—The object, I think, would be to prevent a speculative state of trade being carried on by an increased credit circulation; for I think it is possible that the effect of an increased trade might be to increase the circulation of the country independently of the wishes or will of the bankers.

991. But I understand you to say, that increased circulation follows as a consequence, and does not precede as a cause?—Certainly it follows as a consequence; but it would be a great security to the country if that increased speculation was carried on by means of gold, instead of a credit circulation, issued by a number of issuers.

992. There would still be an increased circulation in each case, whether it was carried on by a metallic circulation or by a credit circulation?—There would.

993. The increased circulation would follow as a consequence of the increased disposition to speculation; it would not aggravate the speculation itself?—No, I think it would be the effect rather than the cause.

994. Therefore there could be no motive in people, at such a time more than at any other time, having bullion for internal circulation, thereby reducing the reserve of the Bank of England?—Except always that the state of trade would most probably ultimately lead to an adverse exchange, which would necessarily draw the bullion from the country.

995. Is it not consistent with your experience that at those periods the speculation is caused by an increased amount of advances of capital, and that it shows itself in the increased amount of securities held by banks, and not in any increase in the circulation?—I think that they are more due to advances of the capital than to the increase of the circulation.

996. Looking back over the time during which you have been connected with the Bank of England, which has comprised varying periods, sometimes of dull trade, sometimes of active trade, sometimes of speculation, and sometimes of depression, would you not say that while you have seen very great variations in the amount of the advances of capital and in the amount in securities held by the Bank during the whole period, the circulation has been comparatively little affected?—Very little affected.

997. *Chairman.*] What do you think would be the effect of extending to the English country banks the law which is now applicable to Ireland and Scotland, namely, that they should have a limited circulation of notes and a power of issuing beyond that circulation against bullion?—I see no particular object in it, inasmuch as the Bank note is a legal tender in England, and the power of issuing beyond the fixed circulation only upon bullion would be one that it would practically be very difficult to carry out.

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998. In Ireland and Scotland a Bank of England note is not a legal tender?—No.

999. What would you think of assimilating the law, adapting it to the circumstances of England, by saying that English country bankers might issue anything in excess of their limited circulation against bullion or Bank of England notes?—That is the effect of the law at present; they have not the power of issuing their own notes upon bullion, because of the practical difficulty there would be in carrying that out, as the banks are distributed all over the country; there would be no certainty that they held the bullion upon which they professed to issue those notes. In Ireland the Act provides that there shall be a deposit of bullion in four places.

1000. At present an English country banker is absolutely prohibited from issuing in excess of his limited circulation?—Yes, his own notes.

1001. But in Ireland and Scotland a banker may issue in excess of his limit, provided he issues against bullion?—Just so.

1002. Do you think there would be any advantage in enabling English country bankers to issue upon a similar principle, namely, to have a fixed limit, but to have the power of issuing their own notes in excess of that limit against either bullion or Bank of England notes?—They might probably prefer it, in order not to bring in a concurrent circulation into their own district; but it would be of no advantage to them; the increased circulation which was issued upon gold would be no profit to them.

1003. Perhaps you have observed in one of the papers before the Committee a memorial of the bankers of Cumberland, Westmorland, and Lancashire, that their prayer is "to be put on the same footing as Scotch and Irish banks with regard to the issue of notes"?—The object of the memorialists is to enable them to take advantage of the whole of their authorised issue, by being enabled to issue notes upon gold beyond that, so as to prevent their having to restrict their circulation to something below their authorised issue, in consequence of the provisions of the present Act.

1004. Do you think that a provision, such as that which these memorialists pray for, would be expedient?—I think it would be of advantage to them; I do not think it would be of any particular advantage to the public generally.

1005. Mr. *Glyn.*] Would it not be just as easy for those bankers to buy Bank of England notes as to buy the gold, which they must hold if they issue their own notes upon it?—Precisely; but their object is to be allowed to issue their own notes beyond the amount of their authorised issue. They conceive that if they had the power of issuing those notes, they would not be liable to the penalties of the Act, provided they had a certain amount of bank notes or gold deposited to represent those notes.

1006. But it would be just as easy for them to hold Bank of England paper as to hold bullion for the amount of their issue beyond their limited circulation?—I think so.

1007. And Bank notes would be a more convenient mode than the other, would it not?—Certainly Bank notes would be.

1008. Mr. *Wilson.*] Country banks at present have a limit to their circulation, but they give no security of any kind. Now if it is thought desirable to take security from country banks, do you conceive that there is any reason why the existing monopoly of those country banks, which happened to be banks of issue in 1844, should continue?—No; except that it would be very difficult to distribute the present aggregate amount of country circulation over all existing banks, unless you propose to allow an increased issue generally to the country bankers.

1009. Does it follow, according to your opinion, that there would be an increased issue, supposing there was free competition?—I think it might follow as an effect from increased trade, great speculation, and great public works being carried out. I think we may take the experience of the United States as an indication, that under those circumstances of great demand for the purposes of speculation and of trade, the notes of the bankers might increase to a very considerable extent.

1010. But you say from your experience in this country that they never have been increased by the will of the bankers?—Not by the will of the bankers, but by the demands of the trade.

1011. We have had three periods which are always referred to in this country as periods of great excitement, and crisis, and which have been attributed, generally

generally speaking, to what had been called excesses of issue. Now will you refer first to Paper 11 *, which shows the circulation and liabilities, and the whole accounts of the Bank of England for a series of years. One of the periods always referred to is the crisis of 1825. Will you have the kindness to look at the state of the circulation of the Bank of England on the 30th of August 1823?—The 30th of August 1823 the circulation of Bank notes was 19,231,240 *l.*

* *Vide* Appendix, No. 11, p. 90.

1012. According to your recollection of the time, the end of 1823 was a period of very considerable depression. You will perhaps recollect that there were discussions in Parliament upon Agricultural Distress; it was at least a period of no excitement or speculation?—I believe that was the case.

1013. Will you follow that column down to August 1825, when speculation was at its highest point?—Yes; the circulation was then 19,398,840 *l.*

1014. So that, in point of fact, there was no increase in the circulation of the notes?—No; not of the Bank of England.

1015. Now, will you have the kindness to refer on the 30th August 1823, and see what was the amount of bullion in the Bank?—On the 30th August 1823 there was 12,658,240 *l.* in bullion.

1016. Now see what the state of the bullion was on the 31st of August 1825, when the speculation had arrived at its height?—3,634,320 *l.*

1017. Now will you have the kindness to look at the amount of the securities on the 30th of August 1823?—17,467,370 *l.*

1018. Now will you look at what they were on the 21st August 1825?—25,106,030 *l.*

1019. Then, here you have a time where you pass from a period of comparative depression and contraction of trade to one of the greatest excitement known in the present century; and during that period you have no increase whatever, between the time of depression and the time of excitement, in the amount of the circulation of notes, but you have a fall in the amount of bullion from 12,658,240 *l.* to 3,634,320 *l.*, and an increase in the securities from 17,467,370 *l.* to 25,106,030 *l.* Does not that show that the circulation of notes had nothing whatever to do with the encouragement of that speculation, but that the whole arose from an advance of capital by the Bank, as shown by the increased amount of securities which it held at one period, as compared with the other, and which had been furnished by a diminution of the bullion from 12,000,000 *l.* to 3,000,000 *l.*?—An adverse exchange had set in, the bullion of the Bank was drawn on to that extent, and security substituted to that amount.

1020. An adverse exchange set in at the end of 1825, but you will observe the reduction of bullion and the increase of securities are correspondingly gradual between the two periods?—I think the adverse exchange, judging from the diminution of the Bank's bullion, must have set in in 1824.

1021. But there was nothing of what is called a pressure upon the money market till the autumn of 1825. There was only great speculation and great excitement up to the autumn of 1825?—That speculation had led to the export of bullion, in consequence of an adverse exchange.

1022. But you cannot connect in any way the increase of the circulation of notes during that period with the speculation of 1825?—No, I conceive that the notes could have had no effect; certainly the notes of the Bank of England could have had no effect in encouraging that speculation.

1023. Was there not a theory that as the bullion left the Bank, the amount of Bank notes ought to have been diminished?—That was the theory, I think.

1024. Suppose that there had been an attempt at that moment, during 1825, to diminish the notes, and suppose it had been in the power of the Bank of England to withhold its notes and to diminish its circulation, what would have been the effect upon the bullion in the Bank by such an effort?—I think the bullion would still have left the Bank for the repayment of the foreign debt. I think we had an instance of that in 1839, when, owing to the great depression of trade, the circulation in the hands of the public was reduced to a very low point, but the bullion still continued to leave the Bank.

1025. Mr. *Glyn.*] What was the rate of discount usually charged by the Bank at that period, say, in August 1825?—It was either 4 or 5 per cent. I think 5 per cent.

1026. Mr. *Wilson.*] It was limited by law. You could not charge more than 5 per cent.?—No.

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1027. The only way by which you could possibly have diminished your circulation during that period, would have been either by refusing to discount bills, or by the sale of securities; and in either of those cases you have shown already that, so long as you held a large amount of deposits, you could not effectually reduce the amount of notes actually in the hands of the public?—I think those measures would have been nugatory.

1028. Supposing that at such a moment there had been an absolute rule by which you were compelled to draw in your notes, and that therefore, when your customers came with cheques upon their deposits to demand notes, you had paid in the only thing in which you could in that case have paid them, namely, gold, would not that have had the effect of very materially aggravating the drain that was taking place for the foreign demand?—It might have caused an internal discredit.

1029. Would it not necessarily have compelled the public to take coin instead of notes?—I think that would have been the effect.

1030. Supposing a customer had come to you with a cheque for 500,000*l.*, and you said to him, we are not in a condition, by law, to issue any more of our notes, the customer still must have had the amount of circulation that he required for his business, and he would therefore have been compelled to take coin instead of notes?—Yes.

1031. And that would of course have been a very unfortunate moment to select for the operation of replacing a paper circulation by a circulation of coin?—Yes; I think that was the effect in 1825. I believe a great portion of that diminution of bullion was by an internal demand for the purpose of substituting some circulation in place of the country bank circulation, which had failed.

1032. Bank of England notes were not a legal tender then?—No.

1033. We are now speaking of the month of August 1825, when the bullion was reduced to 3,634,320 *l.*; the discredit crisis did not occur till the month of December. The first bank that failed was in London, in the month of December, and the discredit of the country banks was in January 1826?—Very true.

1034. Therefore, at this time everything was in full credit?—Then it must have been due to the exportation of bullion.—(Mr. *Neave.*) Might I make an observation. At that time the term "circulation" was confined to the notes with the public. Now the Bank, of course, ought to have had a reserve during that time, though it was not so specially divided in the accounts. Therefore, at that time the bullion went down without notice of the transfer of notes, whereas, now that it passes through the issue department, the Bank have no power whatever but to pass their notes into the issue department to get out the gold to go away. The Bank have no object in reducing their notes with the public; they never can effect that. But as regards their reserve they would, if they had acted properly at that time, have immediately raised the rate of interest; but not doing that, they let the gold all go out as it did, there then being no record of their reserve at all.

1035. The whole effect of that is shown by the reduction in the amount of bullion?—Yes; the gold at that time went unobserved out of the country; whereas if the Bank had kept its reserve before its attention as it does now, it would of necessity have raised its rate of discount on finding its reserve begin to go down; it would have done as we have done lately, and have met the difficulty as we have done in subsequent years.

1036. At that period they could not raise the rate of interest above 5 per cent.?—No, we had not the power then; but we might have raised it earlier.

1037. (To Mr. *Weguelin.*) The object I had in directing your attention to this particular account now, was simply with reference to the question of the probability of the notes in the hands of the public, provided there was free competition of country issuers, being increased in consequence of speculation or increased trade. And it appears from this account that although we passed from a period of very considerable depression of trade in 1823, to a period of very great excitement in 1825, no perceptible increase had taken place whatever in the circulation of the notes of the Bank of England in the hands of the public?—Yes.

Vide Appendix, No. 11, p. 90.

1038. You will observe that, in Paper 11*, there are two columns, notes of 5 *l.* and under (there being a few 1 *l.* notes still remaining out then), and notes above 5 *l.* But that distinction, I think you admitted, does not make any difference

as

s to the argument; whether they are 1 *l.* notes or 5 *l.* notes makes little or no difference?—Yes.

1039. With regard to the country circulation at that time, you have no account by which we can tell what it was?—I have never seen any account.

1040. There have been various calculations made by which it was attempted to be shown that the country circulation had very greatly increased during that period; but there is no authentic account by which we can judge, there being no return required then?—I have never seen an authentic account of it.

1041. Will you turn to Paper, No. 20; there you have an account furnished by the Board of Inland Revenue of the number of banks of issue which were established from 1819, through a series of successive years; will you look at the years from 1819 to 1824, inclusive, and you will find that 97 banks of issue were established during those seven years?—Yes.

Vide Apppendix, No. 21, p. 234.

1042. If you look at the next column, showing the number of banks relinquished, you will find that, during the same period, 133 banks of issue relinquished business?—Yes.

1043. The impression, therefore, upon the mind of the public, that a great increase had taken place in the number of country banks of issue during that time, appears to have been erroneous?—Yes, as far as the number of banks is concerned.

1044. This being the only test that we have of any published authoritative account, it appears that there is nothing in that fact that would justify the inference that the circulation of the country banks had increased during that period, but, on the contrary, it appears that they must rather have diminished?—Certainly, as far as that fact is a criterion.

1045. The next period of great speculation was in 1836 and 1837, which has been generally referred to as having been caused by an over-issue of notes. Will you have the kindness to refer to Paper 19*; there we have accounts of the circulation both of the Bank of England and country banks, and of the banks of Ireland and Scotland, and of the aggregate of the whole country. Will you have the kindness to refer to the beginning of 1834, before the speculation began, and you will find that the aggregate circulation is 37,855,958 *l.*, distributed in various proportions amongst the Bank of England and country issuers?—Just so.

Vide Appendix, No. 15, p. 148.

1046. The speculation of that period, I think, came to its height about the middle and towards the autumn of 1836, and a panic occurred in the spring of 1837?—Yes, as far as I recollect.

1047. Take the aggregate circulation at the end of 1836: what was its amount then?—£. 36,753,461.

1048. So that, instead of having increased, it had slightly diminished?—In that particular month; the comparison should be with January.

1049. Take January 1834 and January 1836?—In January 1834 the amount was 37,855,958 *l.*, and in January 1836 it was 37,779,324 *l.*

1050. And what in January 1837?—In January 1837 it was 38,549,195 *l.*

1051. The circulation, then, had very little altered, notwithstanding the great increase of trade and speculation?—Not materially.

1052. Now, will you refer to the operation of the bullion during that period; what was the bullion in January 1834?—£. 9,952,500.

1053. And in January 1837?—£. 3,990,600.

1054. So that, while the circulation remained almost the same during the whole period, the bullion again sinks from 9,952,500 *l.* to 3,990,600 *l.*?—Yes.

1055. Then, during that time the speculation had again been caused by an increase of advances of capital, and not by any action upon the circulation of notes?—No; the effect had fallen on the bullion, no doubt.

1056. Then, this again shows that an increase of trade or an increase of speculation does not necessarily lead to an increase of the amount of notes in the hands of the public?—Certainly, that is the fair inference.

1057. Then it really resolves itself much more into advances of capital by banks than any increase of circulation?—Yes, that is my opinion.

1058. Therefore that was a second period of crisis and great speculation, in which no material action can be shown to have taken place upon the circulation in the hands of the public?—Yes.—(Mr. *Neave*.) May I make an observation? The bullion was going down at that time; in 1836 the Bank circulation was going down, but it was replaced by country issues. The total aggregate of the circulation appears to have been very

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very much the same in 1838, but the Bank circulation went down during that period to 16,933,250 *l.*, including bank post bills, and therefore any action on their part would be counteracted by the increase of country notes.

1059. Mr. *Gladstone.*] Do you think that the decrease of Bank notes and the increase of country bank notes in the year 1836, to which you have just drawn the attention of the Committee, was produced entirely by causes unconnected with the Bank of England and the country banks respectively?—I think the Bank of England had less to do with it; at that time the Bank of England had an unlimited power of issue, and therefore it did not signify what amount of gold they had. If the accounts had been kept at that time as they are now, there would have been a large reserve of notes which would have gone through the issue department. Those would have gone down and have shown a diminution of the bullion, yet the aggregate generally of the circulation out of doors would remain the same.

1060. It appears that between January 1836 and December 1836 there is a decrease, in round numbers, of 1,000,000 *l.* in the circulation of the Bank of England. Do you think that that decrease was wholly due to causes irrespective of the will and views of the Bank, or that it was brought about by the policy of the Bank?—I think it was brought about by displacement.

1061. Was it due to the views and policy of the Bank, or was it due to the operation of causes unconnected with the views and policy of the Bank?—I think principally unconnected with the views and policy of the Bank; the country bankers had a local power of keeping out their circulation.

1062. Sir *Francis Baring.*] Do you mean, that the Bank at that time made no effort to reduce the circulation?—I do not suppose that at that time they had any great power of reducing the circulation.

1063. What was the course of things? Was it that the Bank reduced their circulation, which was replaced afterwards by the circulation of other banks, or was it that the circulation of other banks drove out the circulation of the Bank of England?—I think the Bank, though too late, as far as they could, were contracting their issues; that is, they were lending probably as little as they could at the time, using the power they had of contraction of facilities.

1064. That was counteracted by other circulation?—Yes.

1065. Mr. *Glyn.*] At that period they had the power of raising the rate of interest; the usury laws having then been partially repealed?—Yes.

1066. Mr. *Wilson.*] When the bullion in the Bank had been reduced from 9,952,500 *l.* to 3,990,600 *l.*, does it not prove, beyond all controversy, that the Bank of England had been making large advances of capital during that period?—No doubt they had sold securities, and assisted the commercial world.

1067. But selling securities is not making advances, is it?—It is making advances upon bills instead of holding the amount in securities.

1068. This diminution of bullion from 9,952,500*l.* to 3,990,600*l.* would be effected by advances made by the Bank in the discount of bills and other ways?—No doubt their advances would be increased, but the export of the bullion would be by individuals.

1069. When you discount bills for a merchant, he may either take notes or bullion, as he pleases?—Quite so.

1070. When you had been discounting bills to so large an amount as to take 6,000,000*l.* of bullion, there had been of course the opportunity of taking notes if they were required?—No doubt.

1071. Therefore it was not by any direct action of the Bank of England that the circulation was reduced during that period, but by the competition of other banks of issue in the country?—Certainly.

1072. A banker gets his notes out through the ordinary course of his business. If you have banks of issue established in the country, either joint stock banks or private banks, in proportion as they get the business of the country they get their share of the circulation of the country; is not that so?—Yes.

1073. And it is in proportion as new banks of issue take business from previously existing banks, that they take along with that business a share of the circulation?—Yes, and they may push out Bank of England notes.

1074. Joint stock banks may push out the notes of private banks or Bank of England notes?—Yes.

1075. And while the aggreate amount of circulation remains, the distribution

tion of that amount amongst the different kinds of banks may very much vary? —Yes.

1076. But that would be determined, in a great measure, by the proportion of the entire business which the different banks did?—Yes.

1077. (To Mr. *Weguelin.*) Will you have the kindness to refer to Paper 28, which relates to the period since the passing of the Act of 1844; you will observe that the highest amount of bullion in the hands of the Bank of England, in September 1846, was upon the 12th day of September, when it was 16,354,000*l.*, and at that time the notes in the hands of the public were 20,018,000*l.*?—Yes.

Vide Appendix, No. 14, p. 136.

1078. From that time there was a gradual decline in the amount of bullion; will you go first to 24th April 1847, when there was a crisis; what was it then? —Then it was 9,214,000*l.*

1079. The circulation in the hands of the public at that time was 19,830,000*l.*? —Yes.

1080. Between the autumn of 1846 and the middle of 1847 was a period of great speculation and excitement, was it not?—Yes, undoubtedly; there were large speculations.

1081. But during that time instead of there being an increase in the circulation of notes, as would be the case if speculation led to an increase in circulation, there is a gradual diminution of the notes down to 19,830,000*l.*—Yes; I think it would be more satisfactory if the same periods in the quarter were compared; April 24th is immediately after the payment of the dividends.

1082. Take any other date you please; what would be the corresponding time?—The corresponding time would be in March.

1083. Take the 13th of March, which would correspond with the 12th of September; that would be three weeks before the payment of the dividends?—Yes.

1084. The circulation, in the face of a large expansion of trade, instead of increasing slightly diminishes down to 19,232,000*l.*?—Yes.

1085. So that there appears to be no tendency for an increase of trade to increase the notes in the hands of the public?—No, there has been no tendency shown in that way.

1086. But if you turn to the bullion on the same day you find that had fallen from 16,354,000*l.* to 11,449,000*l.*?—Yes.

1087. And if you turn to the "other securities" which represent the bills discounted in advances to the public, you find that they had increased from 12,321,816*l.* to 17,358,712*l.*?—Yes.

1088. Does not that again show that under the Act of 1844, exactly as before, this speculation or increased trade had been promoted and fed by advances of capital represented in this account by an increased amount of securities held by the Bank, and leading to a diminished amount of bullion?—No doubt the amount of securities so taken by the Bank nearly corresponds with the diminution of bullion.

1089. Mr. *Glyn.*] As a matter of fact, is it right to say that between September 1846 and March 1847 there was any great period of speculation, although there was a great period of pressure?—I think there was no great general speculation at that time, but there was a great demand for corn. Arrangements had been made for a great importation of corn, consequently there existed a much larger amount of foreign bills upon this country than usual. To meet that extra demand it was necessary to export bullion; and the diminution in the bullion was entirely, in my opinion, referable to the arrangements for the importation of corn, which afterwards caused the great pressure in the autumn.

1090. Mr. *Wilson.*] Was there not a very large increase of importations, whether they may be called speculation or not, in the first six months of 1847, as compared with the preceding year?—I think there was of corn, in consequence of the failure of the potatoes and of the harvest of 1846.

1091. Do you remember that there was a great rise of prices in the first months of 1847 in East India produce, and sugar, and a variety of other things, which very much went back in the autumn of 1847, and led to the failure of some East India houses?—I have no recollection whether there was any great rise in the price of colonial produce. The failure of those houses to which you refer was principally owing, I think, to their having locked up their available

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means in securities which they could not realise and which had become depreciated.

1092. From whatever cause it arose, was there not great pressure upon the money market between the month of April and the month of November 1847, which continued at intervals?—No doubt there was towards the month of April very great pressure upon the money market.

1093. But the extension of operations, whether speculative or otherwise, could not be traced to any increase in the circulation of notes, which, according to this account, had fallen considerably between the autumn of 1846 and the autumn of 1847?—No; I think it was due entirely to an exceptional cause, the necessity of making great importations of corn; and as the trade was otherwise in its usual condition, those extraordinary importations had to be met by bullion.

1094. The diminution of the bullion in the Bank, and the increase of the securities of the Bank, show that it was by advances of capital, and not by an increase of circulation, that that pressure was caused?—No doubt.

1095. On September the 12th, 1846, the date to which I have referred, other securities held by the Bank were 12,331,000 *l.*?—Yes.

1096. That amount may be considered a measure of the advances which the Bank had then made in aid of trade?—Just so.

1097. If you look to March the 13th, you see that the amount of securities had risen to 17,358,000*l.*?—Yes.

1098. Therefore, the Bank may be said to have advanced nearly 5,000,000*l.* more at the latter period than at the former period?—Yes.

1099. If you come down to October 9th in the same year, you find that the other securities are 21,437,443*l.*?—Yes.

1100. Showing that the Bank had advanced again about 4,000,000*l.* more in October than they had in March?—Yes.

1101. And 9,000,000*l.* more than they had in the preceding September?—Yes, upon other securities.

1102. During the whole of that period, the circulation of notes held by the public varies in comparison with the amount of bullion and the amount of securities in a very trifling degree?—It is not noticeable.

1103. Then do not these three great cases of what may be called enlarged trade and great demand for capital, all show that the circulation of notes in the hands of the public is very little affected from time to time by these periods of expanded trade, but that they generally resolve themselves into an extension of advances as exhibited by the altered amount of securities held by the Bank?—Yes, and a diminution of the bullion and the reserve.

1104. The bullion being the reserve, of course if the Bank advances its capital to a greater amount at one time than at another, that must show itself by a diminution of bullion?—Yes.

1105. Then while the Bank Act of 1844 affects to control the circulation of notes only, and no other part of the operations of the Bank, it would appear that the control, such as it is, is really placed upon that portion of the transactions of the Bank which are the least fluctuating, and over which the Bank has little or no control, and that that portion of the Bank's business which relates to the advance of capital by the Bank and the amount of bullion, and the amount of securities held by the Bank, is altogether uncontrolled by the Bank Act of 1844?—That is true as regards the circulation in the hands of the public; it is, however, not true if you include the reserve of the Bank in the term "circulation." In that case there is a diminution which is shown in the reserve. It amounts to what you say, namely, that the circulation in the hands of the public has been very little affected. The whole action has fallen upon the bullion.

1106. And the reserve of notes in the till of the Bank is, in point of fact, nothing more than bullion. The notes in the hands of the Bank are a mere imaginary element, rather representing the power of the Bank to issue notes up to a certain amount than representing anything that may be called issues or circulation?—They represent the bullion upon which they are issued.—(Mr. *Neave*.) But only in common with all other issues. The notes in the reserve of the Bank of England are as much issue as they are in the hands of the public, and they are neither more nor less liable for convertibility than others.

1107. You mean that the Bank of England notes in the till of the Bank of England

England are as much circulation as Bank of England notes in the hands of Smith, Payne & Co.?—Yes

1108. But is there not this wide distinction, that Bank of England notes in the hands of Smith, Payne & Co., being a legal tender, are a fair and sufficient reserve for any liabilities that they have, while the same notes in the Bank of England, even in its banking department, not being a legal tender, you are unable to cancel any obligation whatever which the Bank has by offering those notes?—The Bank of England has the same power that any other person has, namely, to exchange their own notes in the issue department, the issue department being entirely out of their hands. If gold is asked of them, they can take the notes they have in reserve, and ask of the issue department gold for them. The notes are as useful to them as to other people, unless you suppose that the diminution of notes by the export of gold is such that it sweeps everything away, even down to the 14,000,000 *l.* That supposes such a revolution as we can hardly contemplate.

1109. If a customer of Smith, Payne & Co., carries a cheque for 1,000*l.* to Smith & Payne's bank, that cheque can be satisfied by Smith, Payne & Co. by the payment of Bank of England notes; but if a customer of the Bank of England brings a cheque for 1,000*l.*, and demands gold, the Bank of England cannot satisfy that claim by the payment of notes, but must pay bullion if the customer demands it?—Yes; but that does not affect the value of the 3,000,000*l.* of notes to us, unless you suppose that the bullion is leaving the country so fast as to take away the notes even down to the 14,000,000*l.*

1110. The 3,000,000*l.* of notes which you appear to have in your till are only valuable to you, inasmuch as they represent 3,000,000*l.* of bullion?—They are valuable to us in the same way as to other bankers, because the question as to their being offered as a legal tender can only arise when there is a demand for the whole of the gold to go abroad; therefore they are as useful to us as against our own liabilities as they are to any other bankers.

1111. (To Mr. *Weguelin.*) We had some evidence on a former day about the effect which the mode of stating the accounts of the Bank of England has upon the mind of the public, in respect of its stating the reserve as notes and not as bullion; during the time that the Bank Act has been in operation there have been periods of very marked increases and decreases of bullion, and of what is called "Reserve," in the hands of the Bank; now, will you have the goodness to turn to Paper 28, taking again the same period, from September 1846, when the bullion was at its highest amount; in the two first columns in that paper in September 1846, you will observe that the notes held by the Bank are 20,018,000*l.* and the notes in the reserve of the Bank are 9,847,000*l.*, and that the notes in the reserve gradually fall until the 30th of October in the following year, when they are 1,177,000*l.*?—Yes.

Vide Appendix, No. 14, p. 36.

1112. It would appear, therefore, that the notes in the banking department had sunk, during that period, from 9,847,000*l.* to 1,177,000*l.*?—Yes.

1113. It appears that the notes in the hands of the public were 20,018,000*l.* at the one time, and 20,833,000*l.* at the other?—Yes.

1114. So that, while the banking department had apparently parted with notes to the amount of 8,700,000*l.*, there was, in point of fact, only an increase of about 700,000*l.* in the hands of the public?—Yes, which is due to the payment of dividends on September the 12th, when there was 20,018,000*l.* in the hands of the public, was previous to the payment of the dividends; on the 31st of October, when there was 21,376,000*l.*, was after the payment of the dividends.

1115. With that apparent decline of what are called "notes in the banking department," there was, in point of fact, as far as the public were concerned, no increase whatever, but rather a diminution, with the exception of that week after the payment of the dividends?—Certainly there was a diminution.

1116. The whole of that decrease that took place by the diminution of the bullion limited your power of issue, but not by parting with notes?—Just so; that is the effect; the notes were taken over to the issue department, and exchanged for gold, and the gold was taken from us and exported.

1117. Your right to issue was diminished, but not your actual issue?—Not our issue in the hands of the public.

1118. Reverting to a proposed different form of accounts of which we spoke on a former day, would not it be more intelligible to the public, if they saw that

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that was, what it really was, a diminution of bullion to that extent, and not an increase of the use of notes?—Certainly, that would show that the effect had fallen upon the bullion, but the advantage of the present form of account is, that it keeps before the eyes of the public the limitation of the issue of notes upon securities.

1119. Now will you turn to the period in the very next year when the reserve of notes is rapidly increasing in the hands of the public. Take it from October 1847, when the reserve of notes is 1,177,000 *l.*, and go on to the end of March, when it is 10,953,000 *l.*; that again is caused by an increase of bullion, and not by an abstraction of 3,000,000 *l.* from the public; is not that so?—I think, here again, you had better compare it again with the period after the payment of the dividends.

1120. That would be the 29th of April; what was it then?—The reserve on the 29th of April 1848 is 7,659,000 *l.* The notes held by the public are 18,603,000 *l.*

1121. There is a contraction of notes of 2,000,000 *l.*, and an increase of the reserve of 6,500,000 *l.*, that being in point of fact an increase of bullion?—Yes.

1122. So that in truth, upon all occasions generally, the variation in the reserve of notes in the hands of the Bank of England represents a variation in the amount of bullion, and not a variation in the circulation with the public?—Yes; that is so with the reservation, that there is a certain oscillation of the circulation in the hands of the public, which at certain periods abstracts the reserve, and at others strengthens the reserve to that extent.

1123. Those are periodical fluctuations, caused by the payment of dividends and other causes, over which the Bank has no control?—Yes; they amount to about 2,000,000 *l.*, or 2,500,000 *l.*

1124. Regular fluctuations from periodical causes?—Yes.

1125. And the variations in the amount of bullion are determined very much by the variations in the amount of advances upon securities by the Bank?—Yes, it amounts to that; for at such a period there must be an adverse exchange; the bullion is consequently being exported. The Bank of England is the only place where people can obtain an immediate supply of bullion, and they therefore must obtain Bank of England notes for the purpose of obtaining it, and they do that through the medium of discounting bills, which find their way into the securities of the Bank.

1126. But as a rule you find, that as the bullion increases, the securities diminish, and as the bullion diminishes, the securities increase?—Yes; that is generally the case.

1127. Therefore the variations in the condition of the Bank of England may be said to resolve themselves into a smaller amount or a greater amount of advance of capital at one time or another?—Yes.

1128. Not depending on the circulation?—Just so.

1129. *Chairman.*] If any person were to look merely at the return of the total amount of Bank notes, without comparing the reserve with that total amount, might he not be led to suppose that a great increase or a great diminution was taking place from time to time, when in fact the amount of notes in the hands of the public was quite stationary?—Yes, unless the amount of the notes in the hands of the public were stated at the same time. Of course, as the bullion increased, there would appear to be a greater amount of issue, and if there was no notice taken where that issue was held, the public might infer that it was in the hands of the public, and that there was only a small portion of it in the hands of the Bank.

1130. In order to form a correct judgment, it would be necessary to understand that the notes forming the reserve of the Bank were a quantity obtained by computation, and one having no practical effect upon the business of the country?—I think the effect must be great upon the trade of the country. In short, I look to the effect of the reserves of the Bank of England as being greater than of the circulation. The reserve of the Bank of England means an accumulation of capital which cannot be employed at the time.

1131. Looking at the Bank reserve as the measure of its power of issue, no doubt it is of practical importance; but taking the notes as exercising at the moment an influence by their circulation, of course it can have no effect?—No, if the active circulation of notes has any effect at all upon prices.

1132. Mr. *Wilson.*] Do you think that the amount of the circulation of notes

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can be said under any circumstances to affect prices?—In my opinion it does not, not the active circulation.

1133. But the amount of credit and advances of capital may affect prices?—I think so; if there is a large amount of capital unemployed, I think that may affect prices.

1134. You think that speculation may be promoted by undue advances of capital by the Bank, but not by issues of notes?—I think that is the usual effect.

1135. Have not all the cases of speculation through which we have gone, shown that at those periods while the amount of notes remained almost stationary in the hands of the public, the amount of the advances of capital very much increased?—Yes.

1136. Do you know any reason why the liabilities of the Bank, represented by its circulation, should require to be protected in any way differently from its deposits?—The only reason that occurs to me is, that the holder of a note is not in the same sense a voluntary creditor of the Bank as a depositor is. He takes the note in the course of his trade, and he would be under disadvantage in competition with other traders if he were to decline to take the note, consequently he becomes the holder of that note, one may say, by necessity. A depositor, on the other hand, enters into a voluntary arrangement with his banker, and commits a voluntary trust to his banker.

1137. You think it is convenient for public uses, that as notes represent the currency of the country, there should be a security for notes, which it is not necessary to take for deposits which arise from a voluntary arrangement between the customer and the Bank?—Yes, I think the noteholder has a greater claim.

1138. But as long as the security taken for the notes is merely part of the common assets of the Bank, is it not evident that such an attempt as is made by the Bank Act of 1844 is futile, inasmuch as the legal claim upon the whole assets of the Bank applies as much to deposits as to notes?—I conceive that the legal claim does apply to all the assets of the Bank, whether on behalf of the noteholder or of the depositor. My view of the clause in the Act of 1844 is, that the terms "set apart, appropriate, and transfer to the issue department," are meant merely to restrict the amount of issue which the Bank shall make against securities, and not to give greater security or a different security to one portion of the Bank creditors than another.

1139. The regulation which the Bank must follow is the condition of its charter?—Yes, to which it is bound by the Act.—(Mr. *Neave*.) May I be allowed to express my dissent from that; my belief is, that the issue department is put out of our hands altogether; we are mere trustees under the Act of Parliament to see that those securities are placed there, and kept up to that amount; and in no case can any creditor of the Bank touch that which is reserved for the noteholder; we are, in that respect, merely ministrative; we are trustees to hold that amount in the issue department, and our banking department has a totally separate function, which has no relation whatever to the issue department; and, therefore, should such an accident happen as was contemplated in a previous question, that the Bank should fail, the deposit creditor could have no claim upon anything lodged in the issue department, unless after the notes had been satisfied it should happen that, by a rise in the value of securities, there was a surplus, in which case the depositor would come in in common with other creditors.

1140. You have a double trade of deposit and of circulation at the present time?—We have a double function.

1141. Your trade as the Bank of England is that of bankers of deposit and bankers of circulation?—Yes.

1142. The effect of your construction of the Act would be this, that if a person imported 500,000 *l.* of gold from Australia and carried it into your issue department, you would place to his credit, if he was a customer of the Bank as a depositor, that sum of 500,000 *l.*; and that sum of 500,000 *l.* for which you had given him credit in the shape of a deposit, would be immediately transferred to the issue department to meet the liabilities of another class of creditors, and if the Bank were to fail on the following day, he, the depositor, would be entirely deprived of any share whatever in the assets which he placed in your hands the day before?—Assuredly he would have sold his goods, which had been passed into the issue department.

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1143. But in the case of any other bank he would claim equally with all the creditors for notes, as well as the creditors for deposits?—If we had paid for the gold with notes out of our own reserve, and had not carried it to the issue department at all, in that case, till it got into the issue department, it would be analogous to the case that you put of any country banker doing the same.

1144. If, however, the view that you have taken of the legal construction of the Act of 1844 should not be the correct one in that respect, is it your opinion that the separation between the two departments should be made so complete as to effect that object?—Most assuredly; I think we ought not for a moment to fill that double capacity, unless the distinction is clearly defined. I consider that the Act so intended it, and that it was clearly defined so when it ordered us to "set apart, appropriate, and transfer to the issue department." I consider that although the issue department is locally under the same roof, the Bank of England are only administrators of it.

1145. In point of fact, you consider the issue department of the Bank of England the same in that respect as if it was a Government bank of issue at Whitehall?—Entirely.

1146. Would it not follow, as a matter of course, that a Bank of England note issued out of the issuing department to your banking department ought to be a legal tender in your banking department?—It might be, but it is purposely not so, in order that the Bank shall carry additional security by having to see to the convertibility of the 14,000,000*l.* Therefore, practically, the note is not a legal tender on the part of the Bank to others.

1147. Supposing there were an entire separation made, and that we had a bank of issue at Whitehall, conducted by Government commissioners, who would issue upon the plan suggested in 1840, would it not follow then that in the banking department of the Bank of England that Government notes would be a legal tender, just as they would be everywhere else, in which case you could meet all your liabilities at the Bank of England by the payment of those notes?—I do not see that it would make much difference to us; we are always able to sell our securities and to pass our notes. We should not be obliged to provide for the convertibility of the 14,000,000 *l.* as now.—(Mr. *Weguelin.*) The Act provides that in the banking department the notes shall be a legal tender. The 2d clause says: "Provided always, that it shall be lawful for the said Governor and Company, in their banking department, to issue all such Bank of England notes as they shall at any time receive from the said issue department or otherwise, in the same manner in all respects as such issue would be lawful to any other person or persons." Therefore the notes are a legal tender in the banking department. I think that was the intention of the Act.

1148. If a person brings a cheque for 500,000 *l.* to the Bank of England, and demands gold, can you pay him in notes?—Yes, they are a legal tender.

1149. Mr. *Glyn.*] You go upon the last words of the clause; you consider that in your banking department you have the same power as any other person demanding gold?—Yes; the person receiving the notes has the power of going to the issue department and demanding gold.

1150. Mr. *Wilson.*] Has the issue department any communication with the public?—Yes; there is a separate department for the exchange of notes for gold and of gold for notes.

1151. If I go to the banking department of the Bank of England with a cheque for 500 *l.*, can I or can I not demand gold for it?—The Bank has the power of tendering you notes in payment of the cheque; then when you possess the notes, you have the power of presenting them at the issue department, in another room, and obtaining gold for them.

1152. But cannot I carry notes to your counter and demand gold for them?—Not in the banking department, but in the issue department you can.

1153. That is, I cannot at one counter, but I can at another?—In another place.

1154. *Chairman.*] The Act of 1833 says, that a Bank of England note shall be a legal tender anywhere in England, except at the Bank of England. Do you not consider that these words in the Act of 1844, "in the same manner, and in all respects as such issue would be lawful to any other person or persons," are sufficiently strong to take off the effect of that enactment, as regards the banking department of the Bank of England?—I think so.

1155. You

1155. You think that those words limit the effect of that provision to the issue department?—Yes.

1156. Mr. *Hildyard.*] (To Mr. *Neave.*) Is the opinion which you have expressed based upon the provision in the second clause, that "the whole amount of Bank notes then in circulation, including those delivered to the banking department of the Bank of England as aforesaid, shall be deemed to be issued on the credit of such securities, coin, and bullion so appropriated and set apart to the said issue department." Is your opinion based upon that provision as giving to those notes a claim upon the Government securities and the bullion, to the prejudice of all other creditors of the Bank?—Certainly it would be treated in equity as a collateral security exclusively for them.

1157. Mr. *Disraeli.*] Has the Bank ever taken counsel's opinion upon that point, as to the priority of claim?—They never have considered it important. Having 17,000,000*l.* over and above their deposits and every liability, it has not been within their contemplation that any question could arise upon it.

1158. Mr. *Wilson.*] (To Mr. *Weguelin.*) The words you have quoted at the end of the clause merely authorise the Bank of England to issue those notes; but the rendering it lawful for a bank to issue notes does not make those notes a legal tender, in the face of the Act of Parliament, which distinctly prohibits them from being a legal tender. You will observe that, in another clause of the Act, it is rendered lawful for country banks to issue notes under certain circumstances, and up to a certain amount; but that does not constitute them a legal tender?—No; but this clause is expressly for the purpose of settling the mode in which the issue shall be made; therefore, this provision at the end would have been entirely unnecessary, as it appears to me, unless it were for the purpose of enabling the banking department to tender legally the notes which they had received from the issue department in payment of their liabilities; they are virtually altogether a separate establishment.—(Mr. *Neave.*) My explanation of that clause would be, that as the Bank exercises the two functions of both issuing and banking, the Act has provided that they shall be so distinguished; therefore, it first points out to them how they are to act as to issue, and then it gives them power as bankers to use the notes; therefore, it takes care to separate the two functions, but without reference to the question of legal tender.

1159. (To Mr. *Weguelin.*) Would you not hold that it was as incumbent upon the Bank to retain a reserve against its deposits as against its circulation?—Certainly.

1160. Supposing that reserve to consist, as in the case of country banks, of Bank of England notes, or, as in the case of the Bank of England, of bullion, in either case ought not the reserve to have reference to both the deposits and the circulation, and not to one only?—Yes, it would apply to all its liabilities. There is nothing in the nature of circulation of notes, which, in the conduct of a bank, should require protection by a reserve that does not apply equally to deposits.

1161. In point of fact, in practice, any reserve that may be kept by a bank against its circulation would be applicable equally to its deposits?—Yes, supposing it was not required by any provisions of the Act of Parliament.

1162. Whether required by Act of Parliament or not, if a bank continues to pay its liabilities it must pay its deposits from its reserve?—No doubt, as far as the conduct of the bank is concerned.

1163. Have we not seen from the examination of the accounts before the Committee, that the reserve is much more important as against deposits, inasmuch as deposits are much more fluctuating, than it is as against circulation, circulation being a less variable fixed quantity?—Yes, circulation held by the Bank.

1164. In your management of the Bank of England, in looking to your reserve, practically do you look to the amount of deposits which you have, and which are likely to be acted upon, or do you look at the circulation of notes in the hands of the Bank?—I should look more to the reserve of unemployed notes in the hands of the Bank.

1165. That is the bullion?—That is the bullion; in fact the proportion of bullion which is unemployed.

1166. Then do not you think that the whole object of the Act of 1844 would be gained, if you were compelled by law to keep a certain amount of bullion

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in proportion to your circulation and your deposits?—That would ensure the convertibility of your notes, and it would ensure the payment of your deposits upon demand.

1167. But beyond those two points, is not the whole thing now in the discretion of the Directors of the Bank of England, and would it not then be equally in the discretion of the Directors of the Bank of England?—I think it would; the advantage, I think, of the division is that it shows more clearly the division of liabilities of the Bank, bringing clearly before the public the restraint that the Bank is under of not issuing more than 14,000,000*l.* upon securities.

1168. Do you happen to know the regulation which the Government follow with regard to granting charters to colonial banks of issue?—No; I have no experience of those.

1169. Are you aware that a set of regulations were framed by Lord Althorp, which have been followed ever since with slight modifications, according to which royal charters are granted to banks of issue in the colonies, and that the chief condition for securing the convertibility of the note in those regulations is, that an amount of bullion or coin shall be held equal to one-third of the circulation of the bank?—I was not aware of that provision.

1170. With reference to that regulation, here is a form of account which I would ask you to look at, which has been in use since 1832, and which, being filled up, shows the amount of coin held by the Bank in pursuance of that regulation; does not that form of account seem to include all that is necessary in order to secure the proper management and regulation of a banking business?—

[*The following Paper was handed to the Witness:*]

FORM of RETURN referred to in Regulation No. 19.

RETURN of the Average Amount of LIABILITIES and ASSETS of the Bank of during the Month of

Liabilities.		*Assets.*	
Promissory Notes in circulation not bearing Interest - - - - - £.		Coin and Bullion - - - - £.	
Bills of Exchange in circulation not bearing Interest - - - - - £.		Landed or other Property of the Corporation - - - - - - £.	
Bills and Notes in circulation bearing Interest - - - - - - £.		Government Securities - - - £.	
Balances due to other Banks - - £.		Promissory Notes or Bills of other Banks £.	
Cash Deposits not bearing Interest - £.		Balances due from other Banks - £.	
Cash Deposits bearing Interest - - - £.		Notes and Bills Discounted, or other Debts due to the Corporation, not included under the foregoing heads, and exclusive of Debts abandoned as bad - - - £.	
To Shareholders for Capital paid up - - £.			
To Ditto for Additions declared to Shares (if any) £.			
To Ditto for Dividends remaining unpaid (if any) £.			
Total Average Liabilities - - £.		Total Average Assets - - £.	

This gives all the information, I think, that could be required.

1171. Supposing that line "Coin and Bullion" to be filled up with a proper proportion to the liabilities on the other side, would not that in effect give all the security which the present regulations of the Bank of England give?—The question no doubt turns upon the "proper proportion."

1172. Supposing the proper proportion to be fixed, then that line, "Coin and Bullion," being filled up with the proper proportion, the amount of bullion so held would be a sufficient security for the proper conduct of the bank?—I think the question turns upon that.

1173. And this account would show in a simple and intelligible form the precise condition of the bank, showing its real reserve in coin and bullion, and all its assets otherwise, and its liabilities?—Yes, it would show that.

1174. Do you see any reason why a similar form of account should not be adopted by the Bank of England; would it not be much more intelligible to the public to read that form of account, than to read the double form which is now

now presented?—Unless you place a discretionary power in the hands of the Bank, you must fix the proportion of coin and bullion which they are bound to hold against their liabilities.

1175. That being fixed by these regulations in any proportion that may be thought necessary?—My own opinion is, that that would be sufficient.—(Mr. *Neave*.) As I am called upon by sitting here, either to assent or dissent, I should say that it is not capable of separation, and that the consequence of that form of account would be, that all that it would show would be the notes with the public and the bullion in hand, totally ignoring the quantity of notes in the hands of the Bank. The present mode of dealing with the account in the issue department, requires the total issue. It requires not merely the issue in the hands of the public, but the total issue that has gone through the issue department. The other form of account would merely give the notes with the public, not those in the hands of the Bank; that would be the effect of it.

1176. But inasmuch as the bullion would represent the notes in the banking department, would it not in effect produce the same result?—The public would have still to remember that there were 14,000,000*l.* of credit alike convertible, and to be protected by that bullion.—(Mr. *Weguelin*.) I understood the question to apply to a proposed arrangement; that would only place an obligation upon the Bank to hold a certain amount of coin and bullion in proportion to their liabilities, without reference to the provisions of the Act of 1844. I gave my answer upon that supposition.

1177. We have already seen by former evidence and by your explanations, that the real effect of the Act of 1844 is to compel the Bank of England to hold bullion to whatever extent the actual circulation exceeds the amount of fixed securities?—Yes.

1178. Therefore, if that amount of bullion were put upon the other side of the account, fluctuating with the excess of issue in the hands of the public, about the fixed securities, would it not represent the same thing?—No, it would not; because as I understand the proposed plan, it is, that there shall be always a fixed proportion of coin and bullion to the liabilities.

1179. Suppose the regulation were, that the Bank must always hold 14,000,000*l.* of securities as against its issue of notes, and bullion equivalent to the difference between that 14,000,000*l.* and the actual quantity of notes in the hands of the public; the 14,000,000*l.* would appear as a fixed uniform quantity on the side of assets, as Government securities, and the amount of bullion or coin equivalent to the difference between the 14,000,000*l.* and the notes in the hands of the public would appear there also. Would not that be in effect exactly the same as the Bank of England account is now?—It would have the same effect; but it is clear, according to the present Act, that the proportion of bullion held against the active circulation varies most materially. When the circulation in the hands of the public is low, the proportion of coin held against that circulation is low also. When it rises, the proportion rises in a greater degree. For instance, against 18,000,000*l.* of circulation, there would be 4,000,000*l.* of bullion held. Against 22,000,000*l.* there would be 8,000,000*l.* of bullion held. Now, 8 to 22 is a greater proportion than 4 to 18.

1180. The meaning of my question was, that the coin or bullion on the credit side should fluctuate in proportion as the difference between the fixed securities and the amount of notes in the hands of the public fluctuated; if that were the regulation, would it not be precisely the same in effect as the Bank of England account is now?—Yes; if that was the mode of stating it, it would be precisely the same thing.

1181. Have you ever considered whether it would be desirable to convert the 11,000,000*l.* of debt that you now hold into securities?—There would be no advantage in it; we already hold so large an amount of Government securities as to obviate any necessity of having a further amount of convertible securities in our hands.

1182. In point of fact, the complaint that is sometimes made, that the Government debt limits the power of the Bank to give the public accommodation, is totally erroneous, as long as you hold such a large amount of other Government securities, which you can convert if you require?—Quite so.

1183. Therefore you do not see that any possible advantage could be derived from turning that debt into convertible securities?—None whatever.

1184. What is the practice in the Bank of England with respect to fixing the rate

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rate of discount; is it fixed only on one day in the week, or does it vary from time to time during the week?—It is in the power of the Governors to fix it at any time; but it is usually fixed, after discussion by the Court of Directors, on the Thursday.

1185. It is very rarely that the Governor exercises that power?—Very rarely.

1186. Does it lie absolutely in his hands to exercise it at any time that he pleases?—Yes.

1187. On any day whatever the Governor of his own accord, without consulting the Court of Directors, could alter the rate of discount?—Certainly; he has the conduct of all the monetary transactions of the Bank from time to time.

1188. Can he overrule the Court on the Thursday; when the rate of discount is altered on the Thursday at the meeting of the Court, is it done by the will of the Governor, or is it done by a majority of the Directors?—By a majority of the Directors.

1189. Would it be competent for him on the Friday morning to alter again?—He could do so under his responsibility to the Court.

1190. It is understood that the Governor has absolute power to vary the rate of interest?—Certainly; of course, if he does so, it depends upon his sense of his responsibility whether he consults the Court or summons them immediately afterwards, but he has the power undoubtedly to raise the rate of interest when he sees occasion.

1191. You have had great experience during very difficult times in the Bank; have you not felt that you had really little or no power over what is called the value of money, or the rate of discount; were you not obliged to follow circumstances over which you had no control?—I conceive so.

1192. The idea that the Bank has power to raise or lower the rate of interest of its own accord, you think is a fallacy?—I think it is so, with the exception of certain periods when the Government deposits are for a time accumulating in our hands; but that finds its level the moment that amount is issued again for the dividends. When it is spread over a certain space of time, the Bank has no power whatever over the rate of interest.

1193. You are obliged to follow the market rate?—Yes.

1194. Then although it may be said that you sometimes lead the market, you lead the market only in the sense of being very large dealers in the commodity of capital?—There are certain periods when the Bank is holding the reserves of other banks, at times when there has been a great export of the floating capital of the country; no doubt, when it so holds the reserves of the country, any extraordinary demand that may take place must fall upon the reserve of the Bank; it has then the power, no doubt, which perhaps is not possessed by others, in some degree of raising the rate of interest.

1195. But in ordinary times, under ordinary circumstances, if the Bank were to charge a lower rate than the market rate, would not the only effect be, that it would be very quickly drained of its spare capital?—Certainly.

1196. And if it were to charge a higher rate than the market rate the effect would be, that it would lose its custom?—That would be so under ordinary conditions.

1197. There is no power in the Bank of England of controlling the rate of discount, any more than there is in any other large dealer in an article of controlling the price of the article?—I think none, with the exception of those particular periods that I have mentioned.

1198. That is, in point of fact, at times when you happen to be very large holders of the commodity required?—When, in fact, we are holders of the greater portion of the unemployed capital.

1199. When, in fact, you are the chief holders in the market?—Yes.

1200. Do you know any safe rule by which you could manage the business, but by following the principle of supply and demand?—There is no other rule that I know.

1201. Are the notions which have been sometimes expressed about the Bank of England maintaining a fixed rate of interest, in your opinion inconsistent with a sound principle of business?—The only way in which the Bank of England could be managed, if it were desirable to maintain a fixed rate of interest, would be by restricting the term for which they would discount bills, which has the same effect as raising the rate of interest.

1202. It would have the effect of creating a pressure upon the market at the particular

particular moment with regard to certain bills?—It would render long bills more difficult of negotiation.

1203. At one time it was the rule of the Bank to maintain a fixed rate of interest?—Yes.

1204. Was not that rule practically evaded, by the Bank lending large sums of money to brokers at a lower rate than the market rate for those bills, the brokers dealing it out to the public at the market rate?—I have no recollection of the period when there was a fixed rate of interest in the Bank.

1205. But according to your experience, you know of no sound rule for the management of the Bank of England or any other bank, except following the market rate as determined by the supply and demand?—I would make an exception with regard to the term of loans that are made. I think it is advisable that you should, in periods of great pressure upon the resources of the Bank, restrict the term of loans which you make to the public.

1206. That is another mode of restriction?—That is a mode of restriction which has a greater and more direct effect than raising the rate of interest.

1207. But speaking merely of the rate of interest, you know of no principle by which that can be fixed, but the one I have named?—No.

1208. When there is a foreign drain for bullion upon your resources, is it not advantageous to the trade of this country that you should at once raise the rate of interest, and take such other means as will tend to check that drain from abroad?—Assuredly, I conceive so.

1209. Therefore, frequently in taking steps which appear to be inimical to the public convenience, you are really taking steps which are substantially for the benefit of the home trade?—I think so.

1210. The means by which the drain is accomplished, in the case of a foreign demand for gold, is by the transmission of bills of exchange and other securities from the continent to England, which are realised here, and turned into gold, and that gold is sent abroad?—Yes, it may be by the importation of commodities or of securities convertible into gold.

1211. Is not the operation during an adverse exchange of bankers upon the continent buying up English bills at the particular moment, and anticipating their transmission to this country for the purpose of obtaining gold to answer the demand abroad?—I think that is the general course; as soon as the exchanges become adverse to this country, I think the effect is that most of the bills upon this country which are existing upon the continent are bought up and sent over to this country and discounted, and the returns made in gold.

1212. When you experience a great demand at the Bank of England for the discount of those foreign bills, and see that the gold is going, the only way in which you can check that is by raising the rate of interest, so as to take away the profit of the exchange transaction?—The raising the rate of interest by the Bank of England, so as to affect the profit of the exchange transaction, has not, in my view, any very material effect as regards the righting of the exchange.

1213. You think that the reduction of the usance of bills has a greater effect?—I think a much greater effect.

1214. Those longer dated bills which you refuse may be discounted by brokers?—They may so.

1215. A broker may be enabled to discount longer dated bills by going to the Bank of England with shorter dated bills within your limit?—Yes.

1216. That restriction, therefore, would be evaded in that way to a certain extent?—Only to a certain extent. That mode is the most convenient to the Bank at that period, because it brings the resources of the Bank more immediately under its control. It returns its resources to itself more quickly, and it has the effect that the brokers impose a much higher price upon the long-dated bills, and consequently it checks their negotiation. The real meaning of an adverse exchange is the negotiation of long-dated bills abroad beyond the number of bills existing in this country upon the foreign countries.

1217. During the last two or three years, when you have had the management of the Bank of England, you have had very severe periods of pressure, and very great drains of bullion; do you attribute the comparative safety and ease with which you got over those periods to the management of the Bank in regulating the rate of discount, and the other measures that it has taken of its own will for the purpose of checking the foreign drain?—Yes; I think those have had the effect.

1218. Do you think that if the same means had been used in 1847 the same effect would have followed?—I am rather doubtful about that. It hardly does

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to compare two periods merely by looking at figures. You must take into consideration the circumstances of trade at the periods. The circumstances of trade in 1846 and 1847 were very peculiar; there had been an entire failure of the potato crop in Ireland. There had been great encouragement given by the Government at that time to import corn, and great engagements had been entered into for the purpose of importing corn. Now those engagements when once entered into cannot be set aside. Large purchases had been made in the United States and in Russia for the delivery of the corn in the following spring; and when that corn came forward, bills were drawn against it. Then, although there had been a previous pressure upon the money market, merchants having entered into those engagements, their only course was to import the corn notwithstanding the loss they had incurred. Therefore the engagements running upon this country had to be met. Unfortunately, in 1847, they were met to a great extent by failures; but to the extent to which they were not met by failures, they were met by the exportation of bullion.

1219. In 1847 you had great derangement of trade, and great losses and failures, caused by the circumstances to which you have referred. In the last two years the adverse exchanges were caused by the expenditure of Government upon the war to a certain extent, and there has been no depression in trade, and no failure to any amount. Those circumstances, therefore, make a great and important difference between the two periods?—Yes.

1220. With regard to the operation of the Bank Act of 1844, can you point out anything in the Act of 1844 which has enabled you, in the management of the Bank in the last two years, to get over the difficulties better than you could have done at any former period?—I conceive that we must have taken the same measures under any condition of the legislation as regards the Bank, that we have taken under the Act of 1844.

1221. Then I understand that it is the superior management and discretion exercised of late, and not any operation of any Act of Parliament, that you are aware of, that has enabled the Bank to conduct its business more to the satisfaction of the public?—Certainly. I think it must be ascribed to the measures taken by the Bank, which are altogether irrespective of the law.

1222. *Chairman.*] If you compare the minimum amount of bullion held by the Bank in the ten years before 1844, with the minimum amount in the ten years since 1844, do not you perceive a very remarkable difference?—Yes, there is a considerable difference.

1223. You mean that the minimums since the year 1844 have been considerably higher than the minimums before that year?—Yes.

1224. Do you think that that is the result merely of discretion in the management, and that no portion of the change is to be attributed to the effect of the Act of 1844?—I think it must be the effect only of discretion in the management of the banking department of the Bank.—(Mr. *Neave.*) I am afraid I must differ from that; I believe that the circumstance of the quantity of gold being greater since 1844 than it was previously to 1844, is owing to the Act prescribing the quantity of gold which the Bank should hold. Before 1844 we could issue without regard to the bullion. The Act of 1844 prescribes, that the issue shall be only 14,000,000 *l.* upon credit, and all the surplus upon bullion; and as the public require a larger circulation, that necessarily obliges a greater quantity of bullion to be in this country. As regards the comparison of the two periods of 1847 and of this last war, which has been a trying one, I think that in the last period the Bank took prompter measures, and that those measures and their effects were by that time better understood by the public, and consequently there was no panic and no disturbance, and the course which the Bank has taken has been successful.

1225. Mr. *Wilson.*] Experience has shown that it is necessary for the Bank of England to hold a larger reserve of bullion than it was in the habit of holding at former periods?—Yes; the reserve of bullion we have no control over. The only control we have is as regards the price at which we choose to use our banking reserves. We have no control over the bullion itself.

1226. (To Mr. *Weguelin.*) You are aware that the Bank of France is of essentially the same character as the Bank of England, except that it has no Act such as that of 1844 to control its transactions, but that in other respects it is nearly the same; its securities of the same nature, and its transactions generally being as nearly as possible similar to those of the Bank of England?—Yes.

1227. Has not the Bank of France, like the Bank of England during this recent

recent period, habitually kept a larger reserve of bullion than it used to do in former times?—It has, down to the time of the last war.

1228. Formerly the reserve of the Bank of France used to be 3,000,000 *l.* or 4,000,000 *l.* Latterly it has been from 7,000,000*l.* to 12,000,000 *l.* and 15,000,000 *l.*, and as high as 25,000,000 *l.*?—Yes.

1229. Has not the Bank of France shown as much anxiety to retain a good reserve of bullion against its liabilities as the Bank of England has done?—Yes; I think that has been its object.

1230. And of its own accord it has made very large sacrifices at very great cost, and it has used great efforts to keep up its reserve of bullion as the only sound manner of conducting the Bank?—Yes.

1231. It has done that without any statutory obligation?—Yes; there is no obligation on it, I think, to maintain any fixed proportion of coin against its issues or liabilities.

1232. Are you of opinion, that if the Bank Act of 1844 were repealed to-morrow, there would be no less obligation, on the part of the Bank of England, to retain a sufficient reserve of bullion, than there is now, the same management being continued?—Certainly.

1233. Mr. *Hildyard.*] Can you tell us what has been the highest rate of discount charged by the Bank of France during the last 12 months?—Six per cent.; I think they are limited by law.

1234. Have they generally been charging a lower rate of discount than the Bank of England has charged during the different stages of the recent drain?—Yes, I think they have; they limited the *échéance* of bills discounted by them, on one occasion, to 60 days.

1235. Have they imposed more stringent restrictions than the Bank of England has done?—They did, in that respect; they reduced the term of bills discounted to 60 days, instead of 95.

1236. They acted, therefore, in accordance with the principle which you are inclined to recommend?—Yes.

1237. Mr. *Vance.*] With regard to the rotation of your court, you stated that eight go out every year?—Eight new directors must come in every year.

1238. Are you aware, that in the Bank of Ireland it is only the junior directors who go out, leaving the seniors permanent directors?—That is the case in the Bank of England also; those who have passed the chair remain in permanently.

1239. You are probably aware of an Act of Parliament passed last Session, regulating the rotation of the directors of joint stock banks; formerly, a certain number were obliged to go out, now none are forced to go out by rotation; do you consider that an improvement upon the old system?—I am rather doubtful as to whether that is a great improvement. I am aware that that view was urged upon Sir Robert Peel at the time that the Banking Act was passed, and I think that it was rejected by him because he thought it was advisable that there should be occasionally a change in the direction. I think there are advantages in it which it is not necessary to detail. New directors coming in sometimes examine more closely into the liabilities and assets of the Bank than directors who have been accustomed to a certain state of things.

1240. With regard to the Government debt, there is a Government debt of 11,000,000 *l.* always owing to the Bank of England; what interest do you get for that?—Three per cent.

1241. Do you consider that that loan to the Government is a sort of compensation for your exclusive privileges?—It may be said so; to a certain extent it is, inasmuch as the Government pay us only 3 per cent., and the rate of interest upon Government securities is on the average rather higher than that.

1242. Do you think it would be more to the advantage of the State if the Government converted this debt into consols, and by a new arrangement, made the Bank pay them something annually as compensation?—I see no particular advantage to the public, and only to the Bank in case the Bank got a greater amount of interest for the money.

1243. With respect to the publication of the Bank's accounts, you stated that by a new arrangement the accounts to Wednesday evening might be published in the Friday's Gazette?—They might be so.

1244. Would it not be more desirable to have the accounts made up to Saturday as at present, and to have them published in the Tuesday's Gazette?—No, because the court now meets on the Thursday, and it would not be desirable

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that the accounts should be in the hands of the public before an action has been taken upon them by the Court of Directors.

1245. With regard to the statement respecting worn out silver in some of those accounts, do you take worn out silver at the Bank without charging the public anything for its depreciation?—We are not bound to take more silver at the Bank than anybody else; silver is only a legal tender to the amount of 40 *s.*

1246. If it is not injured more than by ordinary wear and tear you take it in, do you not, for ordinary payments?—We do so, as ordinary bankers would do to oblige customers. We would take a certain amount in silver.

1247. Does the Bank incur a loss by this worn out silver which they send to the Mint to be recoined?—No; we did incur a severe loss upon one occasion, some years ago.

1248. How do you secure yourselves from loss?—We are allowed to select what is still fit for circulation, and the remainder we send to the Mint, and receive new coin instead.

1249. What reduction do you make from the public for light sovereigns?—I think we cut them and take them at the bullion price of 77 *s.* 9 *d.* the ounce.

1250. You stated in your former evidence, that you occasionally sell your securities; has the Bank incurred a loss, or made a profit by the purchase and sale of securities during the last few years?—I should think rather a loss than a profit.

1251. Mr. *Tite.*] You have had several forms of statements of accounts suggested to you, and I gather that your impression is, that as long as the Bank is a bank of issue, and also a bank of deposit, the present form is a convenient and a correct one. Would there be any objection to printing it in a double form, in order to make it, if possible, more intelligible; that is to say, to let the account be published, both in the present form and in the other form which was suggested to you?—I see no objection; there can be none on the part of the Bank.

1252. There would be no difficulty in stating the account in a double form in the "Gazette"?—No.

1253. With respect to giving gold in payment for cheques, what is the practice, in point of fact; if I take a cheque for 500*l.*, am I asked whether I will have it in gold or in notes?—The practice is to give what the customer desires.

1254. Suppose I took a cheque for 10,000 *l.*, and asked for gold for it, would it be given?—The probability is, that you would have notes given you, and be referred to the issue department for gold.

1255. Mr. *Glyn.*] You would have an order from the banking department to the issue department to pay your gold?—Yes.

1256. Mr. *Tite.*] So that whether the Bank note be a legal tender or not, practically it amounts to the same thing?—Yes.

1257. With regard to fixing the rate of interest, in answer to Question 439, you say, "What governs our action is the state of the reserve, and the mode by which the reserve is effected." Then I asked you this question: "Then your second answer is accurate, that you look exclusively to the reserve?" The answer is, "The reserve is only effected by the demand for bullion; and, therefore, the two answers are consistent." Now, in point of fact, is it the demand for money in the market, or the state of the bullion in the issue department, that governs your action with regard to either raising or lowering the rate of discount?—It is the state of our reserve no doubt, that governs us in raising the rate of discount; and the state of the reserve is governed, of course, by the demand for money in the market.

1258. If bullion be demanded, in order to change the state of the exchange, and therefore your reserve of bullion becomes diminished, may it not at the same time happen that there may be other causes that may influence the rate of discount?—Practically, I think, the rate of discount is governed by the amount of unemployed capital which there is in the country. The amount of unemployed capital is represented by the reserve of the Bank of England, which is practically a reserve of bullion. When, therefore, the bullion is drawn upon it diminishes the amount of unemployed capital in the country, and consequently raises the value of that which remains.

1259. Mr. *Hankey.*] Is there not a resolution of the Court of Directors that the rate of interest shall at all times be kept at a rate approximate to the current rate of interest out of the Bank?—I believe there is.

1260. Has there not been a strong opinion expressed by the Court of Directors that

that the present regulation respecting the retirement of a certain number of Directors annually works prejudicially to the interests of the Bank?—There is a resolution recommendatory of a change in those regulations, and that resolution I have placed in the hands of the Chancellor of the Exchequer.

1261. Mr. *Glyn.*] I understood you to say, that you prefer operating upon the date of bills rather than upon the rate of discount for the purpose of regulating your operations in the discount market; do not you think that that mode of dealing sometimes produces a harsh effect upon the internal trade of the country, so many of the operations of the country being carried on in three months' bills?—I think it may produce a severe effect undoubtedly, and it causes, I have very little doubt, after a time, a restriction of credit; but according to my view, the only way of getting out of a monetary difficulty, which is the consequence of too great an extension of credit, is by reducing that credit generally.

1262. Might not the same effect be produced, without interfering so much with the internal operations of the country, by raising the rate of discount to a high point, rather than by limiting the character of the bills you discount?—There is no doubt that raising the rate of discount sufficiently high, has the same effect. It gives a premium to the creation and negotiation of shorter bills, rather than of longer dated ones; but I have an objection to raising the rate of interest generally upon all species of securities, because it affects a variety of interests which have really nothing to do with the state of the monetary difficulty at the time. For instance, it affects all mortgages, more or less; it affects too, in my opinion, the deposits of bankers. A high rate of interest would, I conceive, have the effect of causing the deposits of bankers to be drawn upon very heavily for the purposes of investment. Therefore my views are rather to operate upon the term of bills, giving a premium, as it were, to shorter dated bills, and affecting, as much as possible, longer dated ones, in order to produce that re-action which is necessary to bring matters again to a healthy state.

1263. But you are doubtless aware that the mercantile business of this country between the manufacturing towns and London, is in point of fact carried on almost entirely by means of three months' bills. Now is it not imposing a great amount of hardship upon those mercantile classes who are only following the natural course of trade to refuse the discount of their bills in the ordinary course, and so to force them into unusual, and perhaps very difficult channels?—It is a hardship which, according to my view (which I may state as my individual view; I do mean to say that it is the view of the Court of Directors generally speaking); according to my view, it is a hardship which is necessitated by a regard to the monetary interests of the Kingdom. I think it is in reality no hardship to an individual that he should be called upon, if he gives credit at all, to give it from his own resources, and not from the resources of his banker. There is nothing in the circumstance of a banker giving a premium for short dated bills, or refusing to discount long bills, that prohibits any individual from giving any length of credit he pleases from his own resources; all that it implies is, that if a man gives long credit, he must be prepared to do it from his own resources, and not from the resources of his banker.

1264. You do not think that it operates as a hardship upon particular classes of trade, or if it is a hardship, you think that it is one that necessarily follows the course of events?—If my views are carried out, I think that will be the result.

1265. Mr. *Hankey.*] Are not your views in a minority in the Court of Directors on this point?—The action of the Court of Directors has been various. At times the Court of Directors has followed this principle in cases of great pressure, I think, upon more than one occasion. In 1840, after having tried all other means in the power of the Court, the Bank reduced the term of the bills which they discounted to 60 days, and that had an effect which no other previous measure which they had taken had produced. In the crisis of 1847 the Bank pursued the course of charging a differential rate upon long-dated bills; and again in the late pressure during the war they pursued the same course, and they also pursued other measures of restriction with regard to the bills which they discounted for the brokers.

1266. Mr. *Glyn.*] When you say that it worked effectually and immediately for its object, does not that power prove that the measure is a severe one, and one that acts in a way which is very detrimental to the traders themselves?—

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If you will look back to the period of 1840, you will find there was then no panic; there were no commercial disasters at that time, nor was there any great amount of pressure upon the money-market at the time, but those measures had the effect of righting the foreign exchanges.

1267. The Bank notes issued on securities were increased, I think, 18 months back, to the extent of 475,000*l.*, to make up for the deficiencies in the country circulation, and a certain amount was to be paid to the Government annually for that new circulation; could you favour the Committee with the calculation upon which that amount was fixed?—It was fixed by arrangement with the Government at 2 per cent. The Bank paid to the Government 2 per cent. upon the 475,000*l.*

Veneris, 5° *die Junii*, 1857.

MEMBERS PRESENT.

Sir Francis Baring.	Mr. Puller.
Mr. Blackburn.	Mr. John Lewis Ricardo.
Mr. Ennis.	Mr. Spooner.
Mr. Fergus.	The Chancellor of the Exchequer.
Earl of Gifford.	Mr. Tite.
Mr. Glyn.	Mr. Vance.
Mr. Hankey.	Mr. Weguelin.
Mr. Hildyard.	Mr. Wilson.
Mr. Hope Johnstone.	

THE RIGHT HON. THE CHANCELLOR OF THE EXCHEQUER, IN THE CHAIR.

Thomas Matthias Weguelin, Esq., a Member of the Committee; further Examined.

T. M. Weguelin, Esq., M.P.

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1268. Mr. *Puller.*] I see that in your former examination you expressed an acquiescence in an opinion which has been advanced, that the Act of 1844 did not effect a legal appropriation of the assets transferred to the issue department, to the ultimate payment of the notes, at all events, in case of the insolvency of the Bank?—That is my opinion.

1269. At the same time you expressed an opinion, notwithstanding, that the effect of the Act was to restrain the directors from taking any bullion out of the issue department without either bringing in or cancelling notes for it?—No doubt.

1270. You do not find in the Act any direct words which restrain them; do you?—No; but by implication.

1271. Can you point out what the words of the Act are upon which that implication is founded, in your opinion?—I conceive these words: "From and after such transfer and appropriation to the said issue department, as aforesaid, it shall not be lawful for the said Governor and Company to issue Bank of England notes either into the banking department of the Bank of England, or to any persons or person whatsoever, save in exchange for other Bank of England notes, or for gold coin, or for gold or silver bullion received or purchased for the said issue department under the provisions of this Act."

1272 That, you say, limits the issue of the notes, but it does not, in words, limit the withdrawal of the bullion?—No; I see nothing that actually restrains us from taking the bullion, except the general construction of that clause.

1273. You consider that the avowed object of the Act was to secure, first of all, that bank notes should at all times be actually converted into gold; and secondly, that there should be a thorough feeling of confidence in the public mind as to their convertibility?—Yes, I think that was one of the objects of the Act.

1274. So as to give a mixed circulation to the country, which should combine as much as possible the security of a metallic circulation with the economy of a mixed?—I think that was the object of the promoters of the Act.

1275. Looking at these words, that the bank notes "shall be deemed to be issued on the credit of such securities, coin, and bullion so appropriated and set apart to the said issue department;" can you give any meaning whatever to those words, which shall not include the notion that the note-holders shall have a claim

a claim upon the assets so appropriated and set apart, which they would not have had, if those words had not been used?—I conceive that the object of this clause was, if I may so express it, a political object, and not to interfere with the rights of the creditors of the Bank. It was intended to restrain the Bank from issuing more than 14,000,000 *l.* upon securities, the rest of that issue being upon gold. I do not think that it was at all intended by that to interfere with the rights of the classes of creditors of the Bank.

1276. But, assuming that to be the primary object of the Act, that object must be carried out by appropriate words. Now those words, "to be issued upon the credit of certain assets," have a well-understood meaning, have they not, in the commercial world? If I were to ask you to lend me 1,000 *l.*, and to say that I would set apart out of a large bulk of wheat, for instance, 1,000 quarters of wheat, in a particular warehouse, and that the money you lent should be deemed to be lent upon the credit of that wheat, would not you consider that that gave you a preference over all other creditors as regarded that wheat?—That would be a specific pledge of a certain property for the repayment of that particular loan; but here, I conceive, there is no specific pledge. There is certainly the debt of the Government to the Bank mentioned, but there is no other specific pledge of any securities whatever; there are only such securities as the Bank directors may from time to time see fit to place there; thereby, I think, showing that the intention of the clause was rather to restrain the Bank from increasing their credit circulation than to interfere with the rights of creditors.

1277. Does not it come to this, that the security would attach not upon certain individual securities or sovereigns, but upon such as should be at any particular moment found in a particular place?—I am not, of course, competent to argue the legal point; I can only give you the construction which appears to me to be the intention of this clause.

1278. Not to argue the point at all, but assuming your opinion to be that there is no ultimate appropriation of assets, in the case of the Bank becoming insolvent, are you not still of opinion, that, so long as the Bank continues solvent, there is an appropriation of assets, and that the note-holders have, as it were, during that time, a preference over all other creditors; and that, in short, the directors could not take the bullion out of the issue department for the payment of depositors?—That question involves the consideration of the possible failure of the banking department of the Bank of England. I am not prepared to say, if such an event were to happen, although the directors at the time might not feel themselves competent to make use of the bullion in the issue department, yet that any constituted power would feel themselves restrained by that clause from so doing.

1279. Without going to the ultimate contingency of insolvency, there might be such a thing as the transfer of bullion to the banking department, for the purpose of keeping up the banking reserve, and keeping the depositors satisfied; and that I understand you distinctly to say, that you think you are restrained from doing?—I think we are entirely restrained from so doing.

1280. Is there not this good reason why the note-holder should have a special security, namely, the fact that bank notes are a legal tender, and that therefore the note-holders are creditors of the Bank, by compulsion, as it were, while the depositors are voluntary creditors?—I have stated that I think they ought to be placed upon a better footing than the depositors.

1281. Are the depositors at all prejudiced by the arrangement effected, or supposed to be effected by the Act; are not the depositors in a better condition by the notes being entirely provided for, than they would be under the old state of things, where the whole was one fund?—I think that their position is not prejudiced or altered, supposing the Bank to remain solvent.

1282. It has been suggested in argument, in order to prove that there is no such appropriation effected by the Act, that in the Scotch and Irish Acts there are no words which effect such an appropriation; that there are no such words as "issued upon credit" in the Scotch and Irish Acts. Is there not this difference between the English note-holder and the Irish and Scotch note-holder, that in the one case the bank note is a legal tender, and in the other it is not?—I do not think that that alters what I consider to be the fair construction of the clause in this Act; but it so far alters the position of the note-holder, that he may reasonably look for a greater amount of security, where he is forced to accept the note, than in cases where he is not.

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1283. Supposing, therefore, it was the intention of the framers of this Act to give the note-holder that security, that distinction of the one being a legal tender and the other not being so, would explain the difference between the English and the Scotch Acts?—I think that would be a fair reason for the difference.

1284. Assuming that the appropriation, if there be such appropriation, is only during the solvency of the Bank, and that your view of the case is a correct one, that in case of insolvency there would be an equal distribution amongst all the creditors, would that make any practical difference in the operation of the Act, or could it affect the confidence entertained by the public so long as you consider yourselves prohibited from transferring the bullion out of the issue department?—Certainly not, I should say.

1285. You would consider that the insolvency of the Bank was one of those remote contingencies which you might quite dismiss from your calculation?—Yes.

1286. That it is not likely to happen even in the case of such a drain of bullion as should exhaust the Bank of its gold, but that still the Bank would be supported by the Government of the country and by the magnitude of its resources?—Yes.

1287. Then is not the practical operation of the Act this: first, that every bank note issued is considered by the public as an equivalent for so much gold, without any doubt as to its convertibility?—No doubt.

1288. And secondly, that the convertibility of the note being so provided for by the machinery of the Act, your attention as a Bank Director and the attention of the public is drawn away altogether from the circulation and fixed upon the banking department; in short, that the circulation under the Act takes care of itself, being as you expressed it, a self-acting machine?—Yes, as far as that is concerned.

1289. You do not consider yourselves, in the general way, bound to take much thought for the convertibility of the note; you consider that as amply provided for by the Act?—Yes, no doubt it is amply provided for by the Act; but the Act requires a certain amount of discretion in carrying out its provisions.

1290. In the banking department?—In the banking department.

1291. Your attention is directed to the exercise of sound discretion in the banking department?—No doubt.

1292. And the attention of the public is drawn to the same thing, namely, to your operations in the banking department?—Yes.

1293. Is not that a desirable and convenient state of things, that the attention both of the directors and of the public should be so fixed upon that without the matter being complicated by any thought about the circulation?—I think the question merely resolves itself into the obligation that the Bank is under, not to have more than 14,000,000 *l.* of credit circulation. In every other respect the conduct of the Bank remains, I think, precisely as it was before the passing of the Act of 1844.

1294. That is to say, as it ought to have been?—Yes. It has still to regard the effect upon its resources which the exchanges of the country may produce, and also the effect which the internal circulation of the country may have upon the resources of the banking department. It therefore cannot dismiss from its consideration those various causes which affected the circulation in former times before the passing of the Act of 1844. Those causes are as operative as ever, with this single reservation, that now the credit circulation of the Bank is limited to 14,000,000 *l.*, and therefore they are obliged to conform to that particular stipulation.

1295. But when you say that the Bank regulates itself by the same principles that it did before 1844, are you prepared to adhere to that quite as matter of fact, or do you mean to say merely that it is now obliged to regulate itself by the same principles by which it ought to have regulated itself before, that is, principles of sound discretion?—I think that is the better explanation of it.

1296. In point of fact, are you prepared to say that the Bank Directors did, previously to 1844, always act with sound discretion?—That I leave to the judgment of the public.

1297. Does not the present form of the account help to fix the attention of the public, at all events, upon the banking department?—I think it keeps before the public the limitation upon the issue of the Bank of England, and therefore brings to their attention that the resources of the Bank of England are represented by the reserve in the banking department.

1298. It

1298. It has been suggested that the form of the account ought to represent and to correspond with the legal liabilities of the Bank. In your opinion, which is the most important consideration, the legal position of the Bank in the very remote possible case of insolvency, or the actual position of the Bank in its every-day business, according to the practical view taken of the Act and carried into execution by the Directors?—I certainly prefer the present form of account, as expressing more clearly the present working of the provisions of the Act.

1299. Assuming that your view of the legal operation of the Act is not the correct one, and that the intention was to give the note-holders a preference, but that by some error the language of the Act has failed to carry out that intention, would not it be a more consistent course to correct the Act, so as to make its meaning clear, than to alter the form of the account in order to make it square with the imperfect language of the Act?—I can give no opinion upon that.

1300. But you acquiesce in the suggestion that the form of account prescribed by the Act is adapted to the construction of the Act, which supposes that there is an appropriation of assets?—Yes; it may be said to conform to that construction; at the same time it does not imply that that construction is the legal construction. The form of the account I may be allowed to add, is expressly for the information of the public; it is published for that purpose, and it is published in a form considered likely to be the most clear to the apprehension of the public.

1301. You have acquiesced in the suggestion that the Bank has no power to extend its issues at its own wish?—I think not; the extension of its issues, whenever it does take place, is caused rather by the demands of the public than by the intentions of the Bank.

1302. Assuming that to be clearly true, does it not seem to follow that the restriction placed by the Act upon the extension of the issues can do no harm?—I see no objection to the restriction upon the credit circulation.

1303. If the Act only restrains you from doing that which you could not do, supposing the Act did not exist, it cannot be said that the Act does you any harm by the restriction?—No, it merely places a legal obligation where before there was a moral obligation.

1304. If the operation of natural causes prevented you from doing it, then you would not put it as a matter of discretion on the part of the Bank, because however they might wish to do it, they could not do it?—I think that my meaning has been a little misunderstood upon that point; I think that there is no doubt a power, under certain circumstances, for the Bank to increase its issues; during periods of great speculation and so on, it might be possible for the Bank to extend its issues. Those issues, however, would not remain permanently in circulation; they would return when that spirit of speculation had subsided.

1305. But still there is an important distinction between an extension of issues against the will of the Bank, whether the Bank wished it or not, and an extension of issues at the wish of the Bank; an extension of issues which was drawn out by the power of an existing extension of trade, or an inflation of prices, would not be an extension at the will of the Bank?—I agree with you so far that there is that distinction, and I think that the Bank has in reality very little power to extend its active circulation at its own will.

1306. Then, if that be so, I come back to the question, does it not seem to follow that the Act does no harm, if it only restrains you from doing that which you could not do, even if the restriction did not exist?—I think the Act is entirely inoperative as far as that question is concerned. The Act does not restrain the circulation in the hands of the public. It simply says, that if the public employ more circulation than they do at present, it shall be upon the security of gold.

1307. On the other hand, if that theory be wrong, and the Bank has the power of extending its issues at its will, I think you agree that there may be times when the Act will do good?—In such a case of course there will be a security that the notes they issue will be upon the security of gold.

1308. Is your opinion that the Bank has no power to extend its issues, an opinion derived from *à priori* reasoning, or from the consideration of those returns relating to the years 1837 and 1847, to which frequent reference has been made?—As far as the Bank of England is concerned, my views upon that subject have been gathered by constantly watching the active circulation and its fluctuations. Those fluctuations are attributable to well-known periodical causes,

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and they are not, in my opinion, attributable either to the will or intentions of the Bank. As far as the circulation of country bankers is concerned, especially in the years 1833 to 1837, which formed the subject of part of my previous examination, I think that it may be as well to say that there is, I think, evidence of an increase of circulation on the part of country bankers at a particular period.

Vide Appendix, No. 15, p. 148.

1309. What paper do you refer to?—It is Paper 19*. In September 1833 the aggregate circulation of country banks in England and Wales was 9,585,644*l.*; in April 1836 it was 12,403,634*l.*; so that there was an actual increase of very nearly 3,000,000*l.* in the country bank circulation.

1310. Mr. *Wilson.*] Would not you take the same month to make the comparison as you did before?—I think that is not material, because I think the country bank circulation is not affected by causes which influence the circulation of the Bank of England.

1311. Is not it affected by the harvest, for example?—This was before the harvest. The circulation in England was at the highest, 12,403,634*l.*; now there no doubt there was an increase of 3,000,000*l.* upon the circulation, as compared with the period of September 1833. There had been a gradual increase, especially during the years 1835 and 1836. Now, if we look back to the circumstances of that period, we shall find that there was a great amount of speculation in the country at the time, and, no doubt, this circulation was demanded by the wants of the country at that particular period. But the advantage of limiting the country issuers, in my opinion, consists in this: as that speculation probably was, to a certain extent, supported by those extra issues, and as, no doubt, when that spirit of speculation subsided, those issues returned to the bankers, they must have had the effect of very much prejudicing the position of the banks by their sudden reflux. Thus, we find that, in 1836, there were a great many failures of those banks, principally brought about, I believe, by the subsiding of that spirit of speculation, and the reflux of their circulation.

1312. Mr. *Puller.*] You confine your objection to the ultimate results, without admitting that it would be in the power either of the Bank of England or of country banks to originate speculation, or to help to inflate it at the commencement?—I think it has not that effect; I think it is the effect rather than the cause.

1313. In your former evidence you expressed an opinion that those periods of speculation were due, in a great degree, to the accumulation of capital which from time to time took place in the country?—Yes.

1314. Would it make any real difference whether an addition of 5,000,000*l.* was made to the capital of the country by a saving, or by an importation, or by an additional issue of notes to that amount by the Bank. Would not 5,000,000*l.* of bank notes issued by the Bank under a free system before the Act of 1844 have the same effect upon the various markets of the country, that a saving to the same amount would have?—In as far as it is a creation of capital, to that extent I think it would have that effect; but against that view it must be said that the total circulation of the country probably is not much affected, though probably the country bank circulation may be increased at that particular period to the prejudice of the Bank of England circulation. I do not think entirely so, but it may be to some extent. The objection that I have to speculation being supported upon a credit circulation rather than upon an accumulation of capital is, that the credit circulation at the subsiding of the speculation must return upon the bankers, prejudicing their position very materially, and producing a banking failure; whereas, if it were conducted merely upon an accumulation of capital, though the capital might be lost, yet still the position of the banker would not be prejudiced by the sudden return of his obligations upon him.

1315. You think that those evils are to a great degree restrained by the Act of 1844?—I think they are restrained by the limitation of issues.

1316. Puting the case of the Bank indiscreetly resolving before the Act of 1844 to make an additional issue of 5,000,000*l.*, and to bring that into the market in the usual way, through the banking department, by extending their accommodation to the public, would not the first tendency of that be to lower the rate of discount?—The public would fix the rate of discount at which it would take the notes.

1317. But as far as the Bank were concerned, they would lower their rate of discount,

discount, in order to force their notes out?—That would have no effect, because the notes would again return in the shape of deposits.

1318. But the first step would be, as far as the Bank was concerned, the lowering of the rate of discount, and, as far as the public was concerned, it would be followed by a lowering of the general rate of discount?—I think that would be the effect.

1319. If that continued for any length of time, would not that have a tendency to lower the rate of interest and to raise the price of the funds?—The existence of a quantity of unemployed capital always has a tendency to raise the price of the funds and to lower the rate of discount.

1320. Would not the tendency of such a state of things always be, to drive money abroad in search of foreign investments?—It would have the same tendency as an advance of capital has now under the present Act. It would be, in fact, the creation of a certain amount of capital for the time being. The ultimate effect would be, that the circulation would be returned to the Bank, and they would have to support that extra issue by an advance of capital. In cases of country banks, where the issue is not so well secured, the consequence of the return of that credit circulation probably might be an inability to meet their engagements. That would not be the case with a bank so well secured as the Bank of England.

1321. But still would not the first ill effect or tendency of such a creation of additional capital be to drive money abroad, either in the case of an adverse exchange increasing the efflux of gold, or in the case of a favourable exchange retarding the influx of gold?—I think it would have the effect of increasing the consumption of foreign articles, which would cause ultimately an adverse exchange.

1322. Would there not also be this effect, that the creation of such an additional amount of capital would have a tendency to give an impulse to create additional trade in the country?—Viewing the extra circulation as merely an advance of capital, its effect upon the trade of the country must be exceedingly small; it cannot extend to above 2,000,000*l.* or 3,000,000*l* The utmost effect in 1833 and 1837 was between 2,000,000 *l.* and 3,000,000 *l.* An addition of 2,000,000 *l.* or 3,000,000 *l.* to the capital of the country cannot have the effect of so much encouraging the spirit of speculation or the consumption of produce generally, through any rise in the rate of wages, as to produce such important consequences as you suppose.

1323. You speak of the advances in 1836 being only 2,000,000*l.* or 3,000,000*l.*; but those figures represent only the increase of the active circulation, and, according to your own theory, that is no index of the amount of additional capital which was created by the Bank. Might not the amount of notes returned upon the Bank be an index of an increased capital of 10,000,000 *l.* or 20,000,000 *l.*?—No; I conceive that you must confine the increase of capital to the notes which remain out and employed; that is the virtual increase of capital. As soon as they return to the Bank that capital is destroyed, as far as the public is concerned; indeed as far as the Bank is concerned.

1324. But be it large, or be it small, to whatever extent there was an increase of capital so created by the increase of trade, would not this consequence also follow, that a larger amount of gold and silver would be required for the payment of wages throughout the country, in consequence of the creation of additional capital?—Not necessarily in consequence of that; probably in consequence of the great increase of trade, there would be a great demand for an increased payment of wages.

1325. In point of fact, if you look at the Return, Paper 19 *, do you not find, on comparing the year 1853 with the year 1856, that there is a diminution of more than 3,000,000 *l.* in the average amount of the whole note circulation of the country?—Yes. *Vide*, Appendix, No. 15, p. 148.

1326. During the same time there has been a vast increase in the gold and silver employed in the country?—Yes, I think there has.

1327. Consequent, no doubt, upon the great extension of trade, and various operations for which money is required?—Certainly; and also, I think, upon the improved condition of the population, generally speaking.

1328. Has there not been a great extension of trade in the last two or three years?—No doubt.

1329. And a diminution of notes during the same time, with respect to which you

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you have already expressed your opinion as to the increase of banking expedients which has been going on?—I think the circulation in 1852 and 1853 was larger from peculiar causes than would otherwise have been the case. A great quantity of that Australian and Californian gold was brought home by persons who probably at that period had not banking accounts; they sold it to the Bank of England, and took out Bank of England notes, which did not find their way at that time so generally into bankers' deposits as very shortly afterwards they did; therefore, there was a very high amount of circulation kept up at that period, which afterwards went down considerably.

1330. Upon the whole, I think you have expressed that you are not prepared to recommend any material alteration of the Act of 1844?—No; I look upon the Act as a fair settlement of the question; and that, if the Legislature thinks it desirable to place a limit upon the credit issue of banks, the mode in which this limit is placed upon the issue of the Bank of England is probably the most convenient and the most effective; and I think it is as intelligible to the public, or perhaps more so, than any other mode which you could adopt.

1331. Mr. *Wilson.*] Am I right in saying that you did not, in any answer that you gave on a former day, support the notion that it would be safe to issue Bank of England notes without a reserve of bullion, or, in the case of country banks, without a reserve of Bank of England notes, which would answer the same purpose as bullion?—Certainly, I should not consider it safe.

1332. You did not intend that such an inference should be drawn from your evidence, as that it would be safe to allow of the issue of bank notes by any party whatever, whether country issues or the Bank of England, without sufficient ample reserve of that commodity with which they could pay their notes; namely, gold in the one case, and Bank of England notes or gold in the other case?—Most certainly not.

1333. Mr. *Puller.*] You informed us on the last day that you were not aware that any opinion had been taken by the Bank about the legal question. Do you wish to correct that answer to-day?—I have ascertained that there has been a legal opinion given by Mr. Freshfield, the late Solicitor of the Bank, which is, I think, in conformity with the views I expressed.

1334. Is there any objection to that opinion being produced to the Committee?—I know of none.

William Newmarch, Esq., called in; and Examined.

W. Newmarch, Esq.

1335. *Chairman.*] HOW many years have you been Secretary to the Globe Insurance Office?—Six years.

1336. Have you at any period of your life been connected with any country bank?—Yes. I was three years second cashier in the banking-house of Leatham, Tew & Co., of Wakefield, from the year 1843 to the year 1846.

1337. During that time did you become acquainted with the business of country banking?—I had every opportunity of becoming acquainted with that business.

1338. After that time were you employed in any London joint stock bank?—Yes; for five years I was the second officer in the London Branch of the Agra and United Service Bank; that is the oldest of the joint stock banks in India. The Agra Bank, in the early part of 1846, found their London business so much increased that it was necessary to establish a London branch; and of that London branch I became the second officer, and remained there five years.

1339. Have you also turned your attention to the principles and theory of currency and banking, and have you been associated with Mr. Tooke in the preparation of the latest volumes of his work on Prices?—I have.

1340. Have you had occasion particularly to consider the effect of the Bank Act of 1844?—Yes, I have.

1341. Do you concur generally with the views expressed by Mr. Tooke in his work on Prices on that subject?—I do.

1342. Will you state to the Committee whether you think it expedient that any limit should be imposed upon the issues of the Bank in any way whatever by Act of Parliament?—By "Issues of the Bank," I presume the Committee mean the circulation of the notes of the Bank of England in the hands of the public. Upon that question I would say that, so far as my researches have gone,

gone, and so far as my observation has gone, I am entirely convinced that the Bank of England has no means, of its own accord, of determining what the amount of its outstanding circulation shall be; that the amount of the outstanding circulation, both as regards the Bank of England and as regards country banks, is something which is entirely and at all times determined by the action of the public, and is not, in the least degree, determined by any act of volition on the part of the issuers.

1343. You are aware that by the Act of 1844 the Bank of England is permitted to issue notes against 14,000,000 *l.* of securities (which has now been increased by a certain other sum) and the amount of bullion that it holds?—Yes.

1344. Do you think it desirable that that limit should be imposed by law?—I presume the question to mean, whether I consider it desirable that a certain amount of bullion should be specially set aside as a guarantee for the circulation, together with a certain amount of securities; in reply to that question I should say, that I do not agree in that view; I do not consider that there is any ground either in reason or practice why the bullion reserve of the Bank of England should be cut in two, and one portion of the reserve assigned as a specific security for the note-holders. I do not agree in that view at all.

1345. Would you go back to the Act of 1819, which trusted simply to the legal convertibility of the note as a security against over issue?—In general terms I would, upon the ground that, so long as bank notes circulating with the public are at all times convertible into coin at the will of the holders, those bank notes cannot be issued in excess.

1346. Looking at the fact, that the present Act has been in operation now since the year 1844, and that the question is not now *res integra*, I understand you to say that you would repeal it, and that you would remove all legislative limit upon the issues of the Bank of England?—As far as regards the Bank of England I certainly should.

1347. You would not require that the Bank of England should hold any definite amount of securities, or any definite amount of bullion against its issues of paper?—No.

1348. In the first place, is it not the fact that the average minimum amounts of bullion held by the Bank in the thirteen years since 1844 are greater than the corresponding amounts in the same period before 1844?—Yes, as far as regards the dry fact I think it is so. I think that the total reserve of the Bank since 1844 has been somewhat larger than the total reserve of the Bank was in the thirteen years preceding 1844.

1349. I think Mr. Tooke in his recent work expresses an opinion that the increase in the bullion reserve of the Bank since 1844 has not been owing to the operation of the Bank Act of that year. Do you agree in that opinion?—I think that is a sound opinion.

1350. Mr. Tooke says (History of Prices, V. 634), "that the claim set up in behalf of the Act of 1844, to the effect that the amount of bullion in the Bank has from the date of its enactment to the present time been larger than, but for the Act of 1844, it would have been, is utterly unfounded and inadmissible, inasmuch as there is the strongest presumptive proof that the Act had not and could not have the effect alleged, the new source of supplies of gold from Russia serving to account for the largeness of the treasure of the Bank from 1844 to 1847, and the still larger supplies from Australia serving to account for the greater amount of the treasure since 1847;" do you concur in that opinion?—Entirely.

1351. Then you do not think that the operation of the legislative limit of the Act of 1844 has induced the Bank Directors to keep a larger bullion reserve than they would otherwise have done?—I think the large bullion reserve since 1844 admits of being traced with a considerable degree of distinctness to the effect of the influxes of gold which have taken place in the first instance from Russia, and during more recent years from Australia and California.

1352. Although the influx of gold may have been greater during those years, does it necessarily follow that the Bank would have held a greater amount of bullion in reserve than they did before 1844, unless they had been compelled by the provisions of the Act to do so?—Yes; I think that probably there are reasons why it would be a necessary consequence of those great influxes of gold, that gold would go in the first instance to the Bank of England, and would remain there for a period longer or shorter. I think, with all deference to the opinion of other persons, that it might be shown with a great degree of force,

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that in 1852 and in the early part of 1853 for example, the very large accumulation of bullion in the Bank of England, which stood for some six months at 22,000,000*l.* or 23,000,000*l.*, was the direct and specific consequence of the arrival here of the early supplies of gold which came from Australia, and which were then coming from California.

1353. If the Bank holds a larger reserve of bullion than is absolutely necessary for sustaining its credit, it holds that excess at a loss, does it not?—Not necessarily at a loss; the gold goes to the Bank of England, I imagine in a principal degree, from persons who make deposits with the Bank of England. Assuming that gold is received in this country by merchants, and that there is no immediate demand in the London bullion market for the export of that gold to another country, the natural and ordinary destination of the gold is the vaults of the Bank of England, where it goes as a deposit to the credit either of the person to whom it is originally consigned or of some second party; the effect is, therefore, that there is an increase in the deposits of the Bank of England. To what extent the Bank of England may be able to employ these deposits in discounts and advances, depends upon other considerations. It was found in 1852 and 1853, that the Bank endeavoured to turn those deposits to account by reducing its rate of discount; the rate of discount was reduced, as we all know, to 2 per cent.

1354. Then your belief is, that a reflux of bullion into the country naturally tends to increase the bullion reserve of the Bank, without reference to the operation of the Act of Parliament?—I think so.

1355. You are aware that by the Act of 1844 the separation between the two departments of the Bank, the issue department and the banking department, was introduced for the first time?—Yes.

1356. What is your opinion of the expediency of that separation?—I consider that scientifically there was no sufficient reason for that separation; and I consider that, as a matter of practice, the separation has operated mischievously.

1357. Can you point out the mischievous effects which you think it has produced?—The first mischievous effect, as it seems to me, which has arisen from that separation of departments, and as a necessary consequence from the cutting in two of the reserve of bullion, has been, that the banking business of the Bank of England, that is to say, the whole of that part of the operation of the Bank of England which brings it more immediately into contact with the commerce of the country, has been carried on upon a moiety only of its former amounts of reserve. Out of that division of the reserve has arisen, therefore, this state of things, that whenever the reserve of the banking department has been diminished, even to a small extent, it has rendered necessary an action by the Bank upon its rate of discount. That diminished reserve, therefore, has produced a frequent succession of changes and jerks in the rate of discount charged upon advances. Now a constant occurrence of those changes in the rate of discount, I imagine, is admitted on all hands, to be in itself, if not distinctly an evil, at least a very undesirable state of things.

1358. Do you think that these variations in the rate of discount have been greater under the operation of this law than they would have been if the separation had not been effected?—I imagine that to be a statement to which hardly any person would demur. I think that is so clear on the face of the facts, that there is hardly room for two opinions upon it. The alterations since 1844 have been some 60 in number, whereas, the alterations prior to 1844, in the same space of time, certainly did not amount to a dozen.

1359. You ascribe the fluctuations in the rate of discount since that time, not to natural causes and to the effect of the competition in the market, and the ordinary operation of supply and demand, but to the operation of the Act of 1844?—Distinctly to the operation of the Act of 1844, and distinctly to the working out by the banking department of the Bank of England of the principle upon which that Act was formed and defended; that principle being that the function of circulation was to be placed under regulations which were considered to amount to a mechanical principle, and that the functions of banking, as regards the Bank of England, should be carried on by the directors precisely in the same way as the functions of banking are carried on by any of the large houses in Lombard-street. Out of the operation of that principle has arisen the circumstance, that whenever there has been, as in the year 1853, an accumulation of reserve in the banking department, the Directors of the Bank of England,

England, acting, as they considered, in strict conformity, or rather it may be said, in necessary obedience to the principle of the Act of 1844, have endeavoured to turn the reserve to profitable advantage by reducing their rate of discount. Their rate of discount was then reduced to 2½ per cent., whereas prior to 1844 the lowest rate to which the Bank had ever reduced its rate of discount was 4 per cent.

1360. Then you think that the Bank reduced its rate of discount lower than it was prudent to do?—I think so. I may say here, that my investigation of this question has led me to entertain a somewhat strong opinion, that for reasons of general policy, as regards the trade of the country, it is not desirable that the rate of discount of the Bank of England should ever be less than 4 per cent.

1361. Is that a limit which you would fix by law?—No; I object to the introduction of a positive statute at all upon the subject. I do not think that the administration of an institution like the Bank of England should be interfered with and prescribed by a statute, but that it should be left as it was prior to 1844. Prior to 1844 there was no law which said that the Bank of England should not have a lower rate of discount than 4 per cent., but that was the traditional policy. There was a general understanding, that that was a fit and desirable state of things.

1362. You think, then, that, as a matter of prudence, the Bank Directors would act wisely in adopting 4 per cent. as their minimum rate of discount?—I think they would.

1363. Do you think that, since 1844, they have raised their rate of discount unnecessarily in any instances?—I think that there have been cases since 1844 in which the Bank Directors have been compelled to raise their rate of discount to a higher point than it need have been raised to but for the previous undue reduction. That seems to me to be a summary of most of the practical objections to the working of this law, namely, that the variations in the Bank rate of discount are between very extreme points;—as we have seen, between 2 per cent. in the one case, and 8 per cent. in the other; and those extreme variations have arisen, as it seems to me, as a necessary consequence of the principles and the policy laid down in the Act of 1844; those principles and that policy distinctly placing the Bank of England upon the same footing (to use the phraseology then employed) as any other banking establishment.

1364. In what respect do you think that the Bank of England ought to be differently managed from any other banking establishment?—I think there is a very important distinction between the Bank of England and all other banking establishments. In the first place, as regards the magnitude; the amount of the funds disposed of and wielded by the Bank of England being so many times greater than the amount of funds wielded by any other single institution. In the next place, there is a moral prestige connected with the Bank of England; any decision which might be taken by any other single house in London, whatever its magnitude or standing might be, would not have a tenth part of the effect which we know, as a matter of common observation, is always connected with the movements of the Bank of England, and with the changes of the rate of discount on the part of the Bank of England; beyond that, it is perfectly clear, I think, not merely from the experience of the last few years, but from the experience of a very considerable period, that the reserve of bullion in the Bank of England is, in truth, the central reserve or hoard of treasure upon which the whole trade of the country is carried on. It is a kind of pivot, upon which the whole trade of the country is made to turn; all the other banks in the country look to the Bank of England as the central hoard or reservoir from which they are to draw their reserve of coin; and it is upon that hoard or reservoir that the action of the foreign exchanges always falls.

1365. When you speak of the erroneous system of management which you say was established by the Act of 1844, do you refer to the great practical principles of management, or do you refer to some theoretical principles laid down by the supporters of the Act?—I refer rather to the practical principles laid down by the legislation of 1844.

1366. Will you state what you conceive to be the erroneous practical principles of management introduced by that Act?—The first of those erroneous principles, as it appears to me, was the forming the Bank into two departments, with the view of attaining a specific reserve of treasure against the circulation of notes; I have endeavoured to state that the holding of that reserve has compelled the

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banking department, which is in reality and truth that division or that department of the Bank in which the public has most concern, to carry on its business upon a much smaller amount of treasure, and the variations in that smaller amount of treasure have necessarily compelled the Bank to introduce changes in its rate of discount more frequent and more violent than prevailed before. Those frequent alterations in the rate of discount are in themselves an evil; and beyond that it was distinctly laid down in 1844, that the banking department of the Bank of England might be managed in the same way as any ordinary banking establishment. The effect of that doctrine has been, that the Directors of the Bank of England have considered themselves not merely at liberty, but to a certain degree, I believe, have considered themselves bound, to enter into competition in the way of discount, in times of cheap money, with the houses in Lombard-street; and I think it might be shown, that when the rate of interest has been low, the lowering from time to time of the Bank rate has driven the rate lower than it would have fallen to otherwise; and when the tide has turned, and when capital has become of greater value, the Bank has been compelled, from the nature of the case, not to lead the way, but to follow in the wake of other dealers in money; and thus, owing to the manner in which these causes have acted the one upon the other, the state of things, which has practically prevailed since 1844, has been one of much greater danger, and of much greater suffering to the public, than it would have been but for the operation of this Act.

1367. That is your general view of the subject?—Those are my general views of the subject.

1368. Mr. Tooke, in his work, expresses an opinion that the reserve of bullion kept by the Bank ought not to be less than either 10,000,000*l.* or 12,000,000*l.*; do you concur in that opinion?—I think that is very desirable.

1369. He says he has frequently brought this view before Committees of this House, and also before the public; and that he thinks some arrangement ought to be made to this effect (this is at page 600 of the 5th volume), "It should be an understanding between the Government and the Directors of the Bank, that a certain large amount of treasure should be held, on an average, say of five years; and that some consideration or compensation of a pecuniary nature should be made by the Government for the sacrifice of interest on the part of the Bank; such sacrifice being required with an express view to the advantage and convenience of the public." Do you agree with Mr. Tooke that it would be desirable that there should be a fixed amount of bullion to be held by the Bank, to be determined upon the principle of an average, and that that should be settled between the Government and the Bank Directors?—Yes; I concur generally in that view. I should not think it desirable that there should be anything in the form of a statute prescribing any express formality for the working out of that result; but the arrangement should, I think, be rather in the nature of an understanding, that upon some series of years, to be determined after investigation, it should be the object of the policy and of the general management of the Bank, that they should so regulate their transactions, that their reserve of bullion should in general approximate upon the average of the period to some given amount. The sum mentioned by Mr. Tooke is 10,000,000*l.* or 12,000,000*l.*, as the amount which might be determined upon.

1370. Would you contemplate that the Bank should be required to keep any amount of securities, in addition to the reserve of bullion?—No; not that they should keep any amount of securities specifically pledged against any particular part of their liability.

1371. Does it appear to you that it would be convenient to fix an amount of a reserve of this nature by means of an average of years?—Yes, I think it would not be difficult to come to some clear understanding on that point.

1372. How low would you contemplate that the bullion reserve might safely descend?—The point of exhaustion will depend very much on the nature of the drain. In the case of an internal drain of bullion, I imagine that the reserves might be allowed to go much lower than in the case of an external drain.

1373. How low do you think it would be safe for the bullion to go, for a period, say, of five or six months?—I would say in reply to that question, that there is hardly any case on record where an adverse foreign exchange has not been corrected by the transmission of something like 3,000,000*l.* or 4,000,000*l.* of treasure. That was the case even in the summer of 1847, as regards the trade between this country and the United States; it was specifically true, that between

between April and the end of August when the exchange was corrected, the adverse balance with the United States for the large importations of corn at that time was righted by the transmission of about 4,000,000 *l.* of treasure. Supposing that the total reserve of the Bank at the outset of a drain of that kind was 12,000,000 *l.*, it does not seem to be a rash conclusion that that 12,000,000 *l.* might be allowed to be diminished to 8,000,000 *l.* without necessarily occasioning any extreme pressure or suffering in the money market.

1374. Then you would contemplate about 8,000,000 *l.* as the lowest point to which it would be safe for the bullion reserve of the Bank to descend?—I think it is possible to imagine cases in which the reserve might go much lower than 8,000,000 *l.*; but I should not like *à priori* to express any opinion upon the smallest amount to which the bullion might go.

1375. Supposing that for a considerable part of two years and a half the reserve of bullion was low, the effect of fixing an average would be that in the next two years and a half the reserve of bullion kept at the Bank must be necessarily above 12,000,000 *l.*, must it not, in order to comply with the regulation you recommend?—Supposing 12,000,000 *l.* to be the amount determined upon as the average for four or five years, of course, if the average was low during one half of the period it must be higher during the other half.

1376. Do you think that would be a convenient regulation?—As far as we can judge from experience, I think it would not be an inconvenient one.

1377. Do you think it would be convenient that during one period of two years and a half the Bank should be obliged to keep more bullion than was required, because during the previous period of two years and a half it had had less bullion than was required?—I think we should always consider this question with the fact before us that the variations in the amount of bullion are not of a very extreme character, always assuming that the amount of treasure at the outset of the drain is a tolerably reasonable amount. It will be found that the variations in the amount of treasure, when you have before you periods so extended as eighteen months or two years, are not oscillations of an extreme character.

1378. You are against defining the quantity of bullion to be held in reserve by Act of Parliament; but you are in favour of defining it by an understanding between the Government and the Bank Directors. Now, do you believe that, practically, there would be any great difference between these two modes of defining the bullion reserve?—Certainly; I think the difference would be a difference of a fundamental character. In the present case the bullion is divided into two parts.

1379. Without going into the question of division, but taking the general question of fixing a certain amount of bullion, below which the Bank is not to go, does it appear to you that there would exist any great practical difference between a definition by Act of Parliament and a definition by an understanding between the Government and the Bank?—With submission, I think the difference would be a difference of an important kind.

1380. If a limit were fixed, by an understanding between the Government and the Bank, it must be presumed that the limit fixed would be known to the public?—Yes.

1381. Probably it would be fixed after consideration in Parliament; perhaps after the Report of a Parliamentary Committee?—Yes.

1382. Under those circumstances, do you think it would be right for the Government to depart from such a limit, except under very extraordinary circumstances?—The amount of discretion which was left with the Bank Directors, or which might remain with the Government, would depend, of course, very much on the nature of the formal instrument or obligation that was exchanged between the Bank and the Government. But, without being prepared to define off-hand the form which the understanding should take, I must say that, as far as I have been able to consider the question, I think it would not be difficult to form some arrangement of the sort; an arrangement under which it should be understood that if the Bank, upon an average period of time, could so regulate its transactions as to have, upon the average, a certain amount of bullion during a certain period, then it should be entitled to a certain compensation. I think that would be something which might be done.

1383. There is no doubt it might be done; but the question is, whether the practical result would be very different from that which is produced by the

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present state of the law?—I can only express my opinion that I think the result would be different. I think that it would be rather more elastic than any arrangement laid down in a statute.

1384. You are aware that it has been proposed to give to the Government the power of allowing the Bank, under peculiar circumstances, to issue notes in excess of the present limit?—Yes, I am aware of that.

1385. Do you approve of that suggestion?—No, I do not approve of that suggestion, as a suggested amendment of the Act of 1844; because the interference of the Government in relaxing the operation of the Act of 1844 would either be something which the public would reckon upon as a matter of course, or it would be something, as in October 1847, which the public would not reckon upon as a matter of course, and which would only be conceded by the Government after a monetary crisis had proceeded to a very severe extent. If the exercise of that discretion by the Government was a mere matter of course, it would amount, practically, to a repeal of the Act; if it was not a matter of course, it would amount to no more than what took place at the close of 1847.

1386. You are aware that at present the executive Government is not in the habit of interfering with the administration of the Bank of England?—Yes.

1387. Do you think it desirable that they should interfere more than they do at present in the habitual management of the Bank?—Distinctly not.

1388. Then if the same abstinence from interference continued which exists at present, such a power as you would recommend to be given to the Government of interfering with the issues of the Bank, under a stipulation with regard to the amount of reserve they should hold, would only be called into activity under very extraordinary circumstances?—The suggestion of Mr. Tooke seems to me to be a suggestion of a very elastic kind; he suggests that, by way of illustration, the amount of reserve which the Bank should be required to keep, upon the average of a certain length of time, should be 10,000,000 *l.* or 12,000,000 *l.* Now, in that very statement of the case there is considerable latitude; an average taken over any lengthened period of time would necessarily be very elastic. If the reserve was merely required to be so approximative as that the average during the period should be somewhere between 10,000,000 *l.* and 12,000,000 *l.*, it seems to me that the rule would easily adjust itself; for example, the Bank would not be under any apprehension of being severely called to account, if the average of the three or four, or five years, as the case might be, was half a million more or less than the sum stipulated in the understanding.

1389. Then the elasticity of the rule would arise rather from the uncertainty of the limit than from the discretion of the Government?—Yes.

1390. You do not contemplate the Government exercising more discretion in relaxing the limit than they exercise at present?—I do not.

1391. You do not think it desirable that the Government should be in the habit of attempting to limit the circulation?—I should think it exceedingly undesirable.

1392. In extreme cases the Government would possess that power at present, would it not?—The Government would possess the power which was exercised by Mr. Pitt in 1797, of saying in an extreme case that the Bank should be released from paying its notes in cash.

1393. Then beyond fixing a limit in the manner which Mr. Tooke indicates, is there any other mode in which you would think it desirable to legislate about the issues of the Bank of England?—I think not.

1394. You are aware of Mr. Tooke's opinions on the subject of a reform of the governing body of the Bank of England?—I am.

1395. Will you state shortly to the Committee what his recommendations are; you will find them at page 603?—The plan I think is contained rather in a subsequent page; in page 624, vol. V., Mr. Tooke says, "The object of the plan which I propose, is to remove and remedy these objectionable features of the present system; 1st. By giving greater permanence to the constituent parts of the direction; 2d. By enforcing more deliberate discussion and applying precautions against hasty and capricious decisions. The main features of the change which I would suggest, are three governors instead of two; namely, a governor, sub-governor and deputy governor; the three governors and twenty-four directors to be elected for three years instead of one year, as now; the three governors to be re-eligible at each period of triennial election; the two governors

governors under the present system are re-eligible for election by the directors for a further term, but the practice has been against re-election, except under peculiar circumstances, such as the two last renewals of the charter, when the governors were continued in the chairs for one year longer. Of the 24 directors, 20 only to be re-eligible at the end of the three years;" and then the passage proceeds into detail. The general object of the change suggested by Mr. Tooke was with the view of introducing greater permanency into the really executive part of the Bank.

1396. Do you believe that those alterations would have the effect of improving the management of the Bank of England?—I do.

1397. Do you think they would have any considerable effect?—I think they would, as far as I can judge.

1398. What do you consider to be the defects of the present administration as regards the constitution of the governing body; do you consider that it produces changes of principles and fluctuations in the rules of management?—Those are questions upon which a young man like myself must speak with great diffidence; I have had the advantage of discussing these questions very fully with Mr. Tooke, and I agree, I think, entirely with the plan suggested in his volume. The objections, as it appears to me, to the present system (I make the observation, of course, with every possible deference to the judgment of the elder members of the Committee), are, first, that the really executive part of the management of the Bank of England is subject to a frequent change of those persons who are specially responsible for it; the Governor, for example, holds office for two years; the Deputy Governor holds office for the same period of time; the term of service, therefore, in the offices of deputy governor and governor amount to four years. It is also, I believe, generally understood to be the fact, that while changes in the rate of discount may be effected by the mere will or discretion of the Governor, in point of fact those changes in the rate of discount, and changes generally in the policy of the Bank as regards its securities, &c., are determined upon by a mere majority of its Thursday Court of Directors; and I think it is also understood that it is quite competent for any member of the court at the Thursday meeting to propose any change; and if that change be sanctioned by a mere numerical majority, it may be by no more than a single vote, it is thereupon carried into effect.

1399. Do you infer from the Composition Clause of the Act of 1844, that it was the policy of that Act entirely to extinguish the country bank note circulation?—Yes; I think that intention is apparent; and moreover, that intention I think was very distinctly avowed in the discussions in 1844.

1400. Does it seem to have been intended to bring about a voluntary extinction of the country bank circulation, and to substitute for it the circulation of Bank of England notes?—It has not had that effect.

1401. Does that appear to have been contemplated?—It does appear to have been contemplated, so far as I can judge.

1402. To substitute for the country bank circulation either Bank of England notes, as far as paper took their place, or sovereigns?—Yes.

1403. What is your opinion upon that policy?—I see no reason why the circulation of country bankers should be withdrawn or extinguished. I am not aware that the circulation of country banks has been found so mischievous, that it is desirable either to deprive the country bankers of the power of issue, or to extinguish that power.

1404. Supposing the whole of the country bankers were to take advantage of that clause, and to compound, so that their issues were to cease, in what manner would the Bank of England be able to issue its notes into the country?—At the present time the country circulation of the Bank of England is chiefly administered by means of their branch banks, amounting, I think, to eleven in number. In the event of the whole country circulation being withdrawn, I apprehend it would be necessary to increase the number of the branches of the Bank of England.

1405. Do you believe that that would be a profitable process as respects the Bank of England?—I should very much doubt it.

1406. You do not think that the cessation of the country bank issues and the substitution of country bank notes by Bank of England notes would necessarily or naturally tend to the benefit of the Bank of England?—I think it is very doubtful whether the Bank would derive much profit from it.

1407. Do you think they would derive any profit?—I can hardly go so far as

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to say that they would derive none. It would be a very expensive process, and looking at it as a matter of mere trading, I very much doubt whether it would be worth the while of the Bank of England to undertake that duty.

1408. Do you happen to know whether any branches of the Bank of England have been opened and subsequently closed, as not being found profitable?—I think there were three cases of that sort; there was a branch at Exeter, which I think was closed; and a branch at Norwich, and a branch also at Gloucester.

1409. From your experience of country banking, what would you say as to the power of country bankers to extend their issue of notes at will?—I should rather be disposed to say, that country bankers have no more power of extending their issues at their mere will and pleasure than have the computers of the Nautical Almanac over the heavenly bodies whose positions they predict.

1410. You do not believe that in times of speculation and inflated credit they have any power to issue notes beyond the limit which is marked by the readiness of the public to receive them?—I believe they have not. I will go farther, and say that, as far as my experience goes, no country banker ever thinks of attempting it.

1411. I find that Mr. Tooke, in page 615, expresses this opinion: "I should be disposed to remove altogether the restrictions imposed in 1844 and 1845 by Sir Robert Peel on the circulation of the provincial banks in the three divisions of the kingdom." Do you concur in that opinion?—I do; making a reservation that I am not prepared, without consideration, to say how far the existence, for 13 years, of the Act of 1844 may have given any equitable claims to compensation or otherwise to existing banks. Always reserving any rights that may have grown up under the Act of 1844, I see no reason why the provisions of that Act, as regards the circulation of the country banks, should not be entirely withdrawn.

1412. At present the only restriction upon country bankers is that no new bank of issue is to be established, and that the existing banks are limited to a certain amount of issues determined by the average issues during a certain period?—That is the case.

1413. Would you propose, simply, to remove the prohibition against the establishment of new banks and the limit imposed upon existing banks, and would you take no security whatever from country bankers with regard to their issues?—No, I would not. It does not appear to me that there is any conclusive case made out why country bankers should give security for one part of their liabilities to the exclusion of another.

1414. You think that there ought to be some arrangement made with the Bank of England as to the amount of their bullion reserve?—Yes.

1415. Then how do you draw a fundamental distinction between the Bank of England and country banks in this respect?—Because the reserve of the Bank of England is the central reserve of the whole nation; but the reserve of a private bank does not stand in that relation at all.

1416. You would leave the country banks entirely under the operation of the general law of the convertibility of the bank note?—Yes.

1417. With regard to Irish and Scotch banks, how would you proceed?—The Irish and Scotch banks stand in a somewhat different relation as regards the law of 1844, from private and joint stock banks in England and Wales, inasmuch as the banks of Scotland and Ireland have the power of increasing their issues, by reserving bullion against the amount of notes which they have in circulation beyond their statutory limit. In the case of the English banks, the provisions of the Act are absolute and decisive; namely, that under no circumstances, unless the banker is prepared to pay a very heavy penalty, shall the average amount of the four weeks' circulation exceed the maximum mentioned in the Schedule attached to the Act of 1844. As regards the principle, I see no reason why the banks of Scotland and Ireland should not be released as entirely from the clauses of the Act of 1844, relating to their circulation, as I have just now said that I think the English banks should be.

1418. You are aware that in Scotland and Ireland 1*l.* notes circulate, and a considerable portion of the paper circulation of Scotland and Ireland consists of 1*l.* notes?—Yes.

1419. Would you think it desirable that that state of things should continue?—The circulation of Scotland and Ireland as regards 1*l.* notes is peculiar; I should

should have a great horror of the introduction of 1 *l.* notes into England and Wales, but in Scotland and Ireland the case is different. There 1 *l.* notes have been in circulation for a very long period of time; the habits of the country, the arrangements of the country, and the character of the banks have all adapted themselves to that particular kind of circulation. In Scotland the number of issuing banks is comparatively few, and they are nearly all banks of very ancient date; they are banks with a very large amount of paid-up capital, and banks of very large resources; with resources very much larger than has been found to be the case as regards the banks of England and Wales. The same observation applies to Ireland; in Ireland the issue of 1 *l.* notes is in the hands, I should think, of not more than four very wealthy and well established corporations; therefore, as regards Scotland and Ireland, I do not think that the existence of a circulation of 1 *l.* notes in those countries is such an anomaly, as regards the general character of the paper circulation of the United Kingdom, as to render it desirable, on any grounds of public policy, that the circulation of those 1 *l.* notes should be interfered with.

1420. You have expressed a decided opinion against the permission of the issue of 1 *l.* notes in England. On what do you found that opinion?—I found that opinion upon the general grounds of the inexpediency of interfering with a state of things which is perfectly satisfactory as it stands. The circulation for all purposes of retail payments, and for all purposes of payment of wages, is now accomplished in the most satisfactory and intrinsic of all mediums, namely, a circulation of gold and silver. I do not know that any inconvenience has arisen from the existing state of things, which would render it desirable even to consider whether or not the circulation of 1 *l.* notes might be introduced.

1421. Do you believe that 1 *l.* notes would be peculiarly liable to forgery in this country?—It was found under the former law that nearly all the forgeries that took place in England were of 1 *l.* notes.

1422. You are doubtless aware that an opinion is held by some, that the amount of the issues of paper exercises an important influence upon prices; is that an opinion which you share?—Not in the least degree.

1423. Will you state your reasons for that opinion?—Any conclusive answer to an allegation of that kind is only to be obtained by a very extended and tedious examination of the facts of the variations in the markets, as compared with the variations in the amount of circulation, whether of the Bank of England or of the Bank of England and country banks combined. I have had occasion to devote a good deal of time to that inquiry during the last two or three years, and the result of that inquiry is the two last volumes of the History of Prices on the table before me, which enter at very great length into the history of prices, and the variations in prices, during the last nine years; and I assure the Committee, with the utmost possible candour, that I have found nothing in the course of those researches which has led me for a moment to suppose that you can connect, in the relation of cause and effect, any variations in prices with corresponding variations in the amount of circulation. It would be very tedious to refer to a great number of cases. Those cases will be found in these books, which give instances of variations of a very extreme character in the largest markets; variations amounting to 10 or 20, or 30 per cent., in the markets for produce in Liverpool, in the markets for produce in Mincing-lane, and in the markets for manufactured goods in Manchester; but there is nothing whatever to account for those large and important variations of prices, in the least degree, in the variations in the circulation. I would go still further and say, that, so far as it is possible to connect the variations in the circulation with the variations in prices, the result is exactly the opposite of what it ought to be, according to the theoretical view; and it is the fact, that where you have a rise in prices, you generally find a fall in circulation; and where you have a fall in prices, you generally find a rise in circulation.

1424. Has the quantity of gold in circulation ever engaged your attention?—Yes; I was led to pay some careful attention to that point, in consequence of the somewhat uncertain conclusions which have been prevalent as to the amount of gold coin circulating in this country. The question is probably more a question of theoretical interest than a question of immediate practical interest; still it is a question, in relation to the present inquiry, of some importance. The result of my investigation led me, much to my own surprise, to a conclusion greatly at variance with the conclusions which had been previously current, namely, that the amount of gold coin in circulation in the United Kingdom, excluding

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excluding the reserve of the Bank of England, has been about 40,000,000 *l.* Some of the estimates have gone beyond that. There have been statements by very well-informed persons who suppose that the circulation might be somewhat between 40,000,000 *l.* and 50,000,000 *l.* Now in the sixth volume of the History of Prices (page 700) any person who is curious upon this point will find a somewhat long investigation of the subject, the result of which is, that I have convinced myself that at the close of 1856 the amount of gold coin in circulation in the United Kingdom was as much as 70,000,000 *l.*; and that one of the principal effects of the influx of gold from California and Australia during the last ten years has been to increase the amount of gold coin in circulation to the extent of not less than 20,000,000 *l.*

1425. Have you made any estimate of the amount of silver in circulation?—No, I have not investigated that point, silver being comparatively of inferior moment.

1426. Has your attention ever been turned to the correspondence in the variation of bank notes and bills of exchange?—Yes, it has. The Committee are of course aware that the question relating to the circulation of bills of exchange has always been a question which has entered somewhat largely into such inquiries as this, which is now being carried on. Mr. Leatham, in 1840, was the first person I think who attempted to form anything like a satisfactory estimate of the amount of bills of exchange then in circulation. I was led to endeavour to extend Mr. Leatham's observations, and by the kindness of a member of this Committee, Mr. Glyn, I was furnished with some information from the Stamp-office a few years ago which enabled me to construct a table of the average amount of Bills in circulation from 1830 to the close of 1853, and with the permission of the Committee I will put in the results of that investigation. This is a paper which sets forth the average amount of bills in circulation in England and Wales in each quarter of those years, and there is, placed in juxtaposition with the total amount of bills, a statement of the variations in the rate of discount; and there is, placed further in juxtaposition, the average amount of bank notes in circulation in each of those quarters. This paper I will hand in.—[*The same was delivered in.*]—The result is, that it appears by these figures that there is no connexion between the variations in the amount of bill circulation and the variations in the bank note circulation. In point of fact, the only result which appears pretty uniform upon the face of the table is, that whenever there is any pressure upon the money market, as indicated by a rise in the rate of discount, then the volume of the bill circulation is very much increased, and *vice versâ*.

Vide Appendix.

1427. Mr. *Hankey.*] You expressed an opinion that the larger amount of gold held by the Bank since 1844, as compared with what had been held by the Bank in the previous years, was owing to the recent gold discoveries, and the additional supplies of gold from gold-producing countries?—Yes.

1428. Then how do you account for the fact, that notwithstanding that constantly increasing import of gold, there has been less gold in the Bank of England in 1857 than there was in 1856, and less in 1856 than there was in 1855?—The answer seems to be, that from the operation of very powerful causes, it is not possible that the amount of gold which is received from the gold-producing countries should remain here. Gold comes to this country, and remains here for a period longer or shorter, as the necessities of trade may occasion, but the gold comes to this country as a place of transit. This country acts as a distributor of the precious metals to those parts of the world where they may be carried by the transactions of trade.

1429. Then that influx of gold has not produced the effect which you attributed to it, of increasing the amount, during the last two or three years, of gold at the Bank of England?—Yes, I think it has; I think the amount of gold at the Bank of England during the last two or three years has been considerably greater than it would have been, but for that influx.

1430. You stated, that you considered that it would be advantageous if an uniform rate of interest were maintained at the Bank?—I think I did not say an uniform rate; but I think it would be advantageous if the alterations in the Bank rate of discount were as few and as small as possible.

1431. Have you any memorandum showing the state of the Bank accounts in 1854? I take that date, merely because I observe that there had been an uniform rate of interest of 5 per cent. for seven or eight months previously to that. I find that in the month of May 1854, the Bank raised their rate of interest from 5 per

5 per cent. to 5½ per cent. Do you not observe, that during the previous two or three months the deposits of the Bank had diminished, and that the securities had considerably increased?—I think the securities seem to have diminished, if you are speaking of the total securities.

1432. This account is not during the whole of the period of eight months, but I take the securities from the two months previously, previous to the change taking place in May 1854. You will observe, that in March 1854, and for two months previously, the securities had been a little under 25,000,000*l.*, and they rose during the two following months to 27,000,000*l.*?—I have not the exact figures here.

1433. I find that the total bullion had decreased, and that the applications for discount had materially increased, and under those circumstances the Bank Directors raised the rate of interest; do you consider that that was an improper course for the Bank of England to take, assuming those facts?—I find that on the 11th of May 1854, when the rate of discount was raised from 5 to 5½ per cent., the total amount of bullion in the Bank of England was between 12,000,000*l.* and 13,000,000*l.* I find that when the rate of discount was raised on the 29th of September 1853 to 5 per cent., the total amount of bullion was between 15,000,000*l.* and 16,000,000*l.*; but when I look at the reserve in the banking department, I find that the reserve in the banking department in September 1853 was between 7,000,000*l.* and 8,000,000*l.*; I find that that reserve in May 1854, when the rate was raised to 5½ per cent., had fallen to between 5,000,000*l.* and 6,000,000*l.*, something like 5,300,000*l.*; therefore I am quite prepared to admit that the discretion of the Bank Directors being entirely confined to the banking reserve, and the banking reserve having fallen from nearly 8,000,000*l.* to 5,000,000*l.*, it became necessary to raise the rate of discount; but when I look at the total reserve of the Bank, and I find that their total reserve, which stood at 16,000,000*l.* in September 1853, had only fallen to between 12,000,000*l.* and 13,000,000*l.* in May 1854, I cannot say that there was any necessity to raise the rate of discount when that occurred.

1434. Do you consider that even if there had been no such restriction as that which is imposed by the Act of 1844, when the Bank Directors found the applications for discount constantly increasing, and the securities which they held constantly increasing also, and when they found their deposits at the same time somewhat diminishing, they could be acting imprudently by raising their rate of discount, such applications continuing to come upon them for discount?—If I understand the question, it relates first to what happened in May 1854; to that I have endeavoured to give an answer; the substance of the answer being that, supposing the Bank in May 1854 not to have been fettered or interfered with by the Act of 1844, I see no reason why a reduction to so small an extent as 3,000,000*l.* out of 16,000,000*l.* should of necessity lead to a rise in the rate discount from 5 to 5½ per cent. Then, if I rightly understand the question, it is further an abstract question relating to a supposed case, namely, supposing a case in which the Bank of England, or any other bank, finds its securities increasing, in other words, its applications for advances increasing and its deposits decreasing, and its reserve decreasing, whether under such circumstances the Bank ought in prudence to raise its rate of discount. My answer to that question is, that if the Bank has any regard to its own safety, and any dislike to come under the operation of the Bankruptcy Court, there is only one course open to it, namely, to raise the rate of discount, and to limit its advances.

1435. Having taken that course once, if the same cause is found to be again in operation, and they find continued applications to them for advances, and a continued diminution of their resources, that is to say, their deposits, would they not be justified in again taking the same step on finding their reserve of bullion diminishing?—No doubt, in that abstract case, a banker must go on raising his rate of discount, and diminishing his advances, till he brings himself into a better position.

1436. That, I understand, to be your opinion upon this point, as an abstract proposition, quite independently of any control by the Act of 1844?—I am now speaking of an abstract case.

1437. Then do you see any limit to which a bank may not go for its own protection in continuing to raise the rate of interest?—Speaking of it as an abstract case, I imagine not.

1438. Having then acted upon that plan of advancing the rate of interest, according

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according to the pressure upon you for discounts, supposing, for instance, that it got up to a rate of 7 or 8 per cent., and that after a time the applications greatly diminished or appeared to cease, would you consider yourself justified under those circumstances in continuing that high rate?—I am still answering these questions purely from an abstract point of view, and without reference to the Bank of England, or any other supposed bank. I should say certainly not. It is the business of a banker to accommodate himself to the state of things that he finds around him.

1439. Would it not follow, then, that the rate of discount may properly be raised either rapidly or continuously from time to time, and may in like manner be diminished from time to time?—It may happen in the general market, and does happen.

1440. Do you consider that that action of alteration in the rate of discounts from such causes is any indication of any injury being sustained by the country?—I think that all variations in the rate of discount in the money market are in themselves undesirable, and that they may become so frequent and so violent as to become distinct causes of mischief; I have said nothing, I think, to-day which would justify the inference that I maintain in the least degree the belief that it is in the power of the Bank of England to regulate permanently the rate of discount. All that I have intended to say amounts to this: that I consider that as the reserve of the Bank of England differs fundamentally from the reserve which is found in any other bank, the reserve of the Bank of England being the reserve of the whole nation, and being that hoard or reservoir upon which any drain arising out of the foreign exchanges acts almost exclusively, I do not think it a desirable state of things that the Bank of England should enter upon a system of open competition in the money market. It is for these reasons that I venture to suggest that the minimum rate of the Bank of England should never be less than 4 per cent., whatever it may be out of doors.

1441. Then when there is a descending scale of the rate declining below 4 per cent., and applications for discount have ceased, and money is beginning to accumulate in the Bank reserves, do you think it is inexpedient, as a banking principle, that that money should be employed?—I have already said, that I do not think it desirable that the rate of discount at the Bank of England should fall below 4 per cent.

1442. In that case, when money does not bear 4 per cent., it is certain that people will not apply any longer to the Bank for discounts?—That is quite certain.

1443. Therefore it is probable that money will accumulate in the hands of the Bank of England?—I think that is quite certain.

1444. You think that the Bank of England at such a time ought to act differently from an ordinary prudent banker on account of its peculiar position?—I do.

1445. You admit that, as an ordinary rule, a prudent banker must vary his rate according to the rise and fall of the market, if he wishes to employ his money in discounts?—Yes, that is the nature of his business.

1446. But you think that when the rate is below 4 per cent. it is inexpedient for the Bank to be a discounter at all?—Yes, I do.

1447. Whenever the rate of discount is below 4 per cent., you think the Bank of England ought to cease to be a discounter?—I do. I think it ought not to reduce its rate below 4 per cent.

1448. In what way would you have the Bank employ the deposits of the Government which are left in their hands and which accumulate from the point of zero up to a large amount previously to the payment of the dividends; would you allow that money to remain in the Bank unemployed, if the Bank could not employ it at 4 per cent.?—Mr. Hankey knows much better than I do that the Bank of England have a variety of ways of employing the capital which happens to be in their hands. The discount of bills of exchange is only one of those modes. It by no means follows that because the Bank of England choose to stop short at the rate of 4 per cent., as regards their discounts, therefore the Bank of England are, from the necessity of the case, precluded from employing their money at all. There are various modes in which the Bank may employ any funds it may have. There is investment in Exchequer bills; there is investment in stock; there are advances upon railway debentures, and a variety of modes in which money may be employed.

1449. You

1449. You are aware that, according to the usual course, the Bank of England have the Government balances in their hands, beginning, say, at zero, at the commencement of the quarter, and gradually accumulating until there is money provided for the payment of the dividends. Therefore the Bank of England have the power of employing that money as bankers, but only for a limited time; and they must employ it in such a way as to keep their resources always available and ready at their command against the time when the money will be wanted for the use of the Government?—Yes.

1450. Do you think that there is any mode in which the Bank of England can ordinarily employ that money so advantageously and in a way so easily available as in bills of exchange, which ensure the return of the money at a period not later, at all events, than 95 days?—I can only refer to what happened prior to 1844. There was the same periodical accumulation of funds in the hands of the Bank of England for the purpose of the dividends prior to 1844 that there has been since, and it was the fact prior to 1844 that the Bank's rate of discount, as regards bills of exchange, was never reduced below 4 per cent. I never heard that there was any great inconvenience experienced prior to 1844 in consequence of the existence of those regulations. I am not enabled to say at a moment's notice, in point of fact I have no means of knowing, what the detailed arrangements of the Bank of England were at that period under those circumstances; but I do not think that in a discussion of this nature we are bound to consider exclusively or in any material degree what may be profitable or unprofitable to the Bank of England under those circumstances. What we have to consider in the discussion of this question is, what is found from experience to be most advantageous to the public at large.

1451. But in examining into the question of the mode in which the Bank ought to conduct its business, it is certainly a reasonable question to inquire whether that system which you have recommended is one which is compatible with the conduct of the business on any sound principles by the Bank of England. Now do you not think that any bank that considered it desirable to employ a certain amount of its deposits upon bills of exchange, and which at the same time fixed a minimum rate at which it would discount, would find itself in the position of, at times, having a very large amount of discounts, and at other times of having none at all?—I can only give the answer I have just given, namely, to refer to what took place before 1844.

1452. Have you never heard it stated, that previously to 1844, or previously to the time when the Bank never lowered their rate of discount below 4 per cent., they found this very great inconvenience, that whenever the rate came up to 4 per cent., then, not from any action of the Bank, but from the action of the ordinary rules which govern the supply and demand of money, the Bank were suddenly called upon, and expected to discount, perhaps, a very large amount of bills of exchange, when from having been previously without any bills of exchange at all for a long time, they found very great inconvenience in carrying on the business, being totally ignorant, and much more ignorant than it was desirable they should be, as to the credit of parties, and as to the nature of those securities in which they were then commencing to invest their money?—That is a question which seems to resolve itself into the competency of the Bank Directors. I do not know that it would be desirable to provide by law for keeping the Bank in a state of perfect information as to the character of the bills that come before it for discount; that seems not to be the question before us to-day. But reverting again to what happened before 1844, I confess I never have learnt in the course of my investigation of these questions, that there was found to be any extreme inconvenience, either as regards the public or the Bank, from the system which prevailed at that time, namely, that the Bank's rate of discount as regards bills of exchange should not be less than 4 per cent. There were certain arrangements by which the Bank might make advances till what was called "the opening." Those advances being made upon the security of India bonds, and upon the security of Exchequer bills, and upon the security of Consols, those advances being entirely of a special nature, being only for three weeks or a month, and being made at a time when the rate of discount was less than 4 per cent. That arrangement, as far as I am aware, was found completely to meet the necessities of the case.

1453. Then you would have no objection to the Bank employing its deposits

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at a lower rate of interest than 4 per cent., provided it did not take bills of exchange as the security?—I have no objection to the Bank employing its deposits as they did employ them under the special circumstances of the case, prior to 1844.

1454. You have no objection to the Bank employing its money at a lower rate of interest than 4 per cent., provided it does not employ it in bills of exchange?—That is somewhat a question of definition. If the Bank of England say, on the one hand, that their rate of discount of bills of exchange is 4 per cent.; and if they say, on the other hand, that their rate for advances, which correspond in all particulars to bills of exchange, is less than 4 per cent., the only answer seems to be that the minimum rate of discount is something less than 4 per cent. It may probably enable us to see the answer to Mr. Hankey's question more clearly, if we bear in mind that the advances which were made prior to 1844, with a view to the "opening," as it was called, were advances of a special nature. Mr. Hankey has correctly stated, that, towards the end of each revenue quarter, there is an accumulation in the hands of the Bank of England of funds destined to pay the public dividends. That accumulation of funds in the hands of the Bank of England, unless some mode of relief were found, would no doubt be a considerable inconvenience. The mode of relief that was found was by the Bank of England issuing a notice, about three weeks or a month before the termination of the revenue quarter, to the effect that they were prepared to make advances at the market rate of interest at the time, upon the deposit of certain mercantile securities. That practice seems to me to be perfectly consistent with the practice of the Bank maintaining the rule of not discounting at a lower rate than 4 per cent.

1455. Mr. *Glyn.*] Those transactions having no reference to the current rate of discount?—None whatever.

1456. Mr. *Hankey.*] Then you do not object to the Bank lending money for short periods at a lower rate than 4 per cent., provided they do not lend it on bills of exchange?—To that question I would say yes, provided that "yes" be construed in connexion with the answer I have given to former questions.

1457. You admit, however, that as an ordinary banking operation, money deposited for short periods cannot be better employed than in discounting bills of exchange?—That has generally been found to be so, by the experience of bankers.

1458. And you would be willing, in consideration of the other duties that the Bank has to perform, to deprive the Bank of their only means of employing that money so deposited for short periods, whenever the rate of interest was below 4 per cent.?—I think the rate of discount should not be below 4 per cent. at the Bank of England.

1459. But you have no objection to its being any rate above that?—I have no objection to its being any rate above 4 per cent.; that is not a matter of option, it is often a matter of necessity.

1460. You have stated that you thought that the Bank had no power in itself of affecting the rate of interest?—I think the Bank of England has no power, over any extended period, of determining the rate of interest in the market; but I think the Bank of England does exert a power over the rate of interest in certain conditions of the market; and I think that one of the mischievous effects of the Act of 1844 has been, that the Bank of England being brought into competition with the houses in Lombard-street, has had the effect, in a falling market, of driving down the rate of interest lower than it would have gone of its own accord, and of keeping it at a lower point for a longer period than it would otherwise have remained.

1461. But in the long run you think that the Bank has no power of either lowering or raising the rate of interest?—In the long run, distinctly not.

1462. With respect to the power of the Bank to increase its issues, the present current rate of interest at the Bank being 6½ per cent., do you think that if the Bank were to say to-morrow, that they would lower their rate of interest to 4 per cent., there would be any probability of the issues of the Bank being thereby increased?—It would be extremely improbable. I do not think, even if the rate of discount was cut in half, and the Bank's rate for advances was reduced to three per cent., that in consequence of that change a greater number of Bank notes would be placed in active circulation.

1463. Mr.

1463. Mr. *Weguelin.*] You stated that the rate of discount in 1852 and 1853 was reduced by the action of the Bank to 2 per cent.?—Yes, on the 22d of April 1852.

1464. Was not that rather the result of the efforts of depositors to employ their deposits?—It was, no doubt, an effort on the part of the Bank Directors to employ their deposits.

1465. Was it not rather an accumulation of deposits, the deposits there not belonging to the Bank of England, but being the property of the public?—Yes.

1466. When there is an extra accumulation of deposits, the persons who own those deposits are anxious to employ them?—No doubt.

1467. Do not you think that that anxiety to employ those deposits at the time was the real cause of that fall in the rate of interest, rather than any effort of the Bank?—No doubt. The market rate of interest at that time was from 1½ to 2 per cent.

1468. Are you aware what is the amount of the discount business of the Bank of England upon such occasions when there is a very low rate of interest?—It appears by a Return furnished in the year 1854, that the Bank of England in reducing the rate of discount to a low point, by no means increases its business. The facts appearing upon that Return are among the principal reasons which, I think, justify the conclusion that a reduction of the rate of discount by the Bank of England, while it does very little good to the Bank of England as a banking operation, has the effect of drawing down and keeping down the rate out of doors in an undue degree. I find, as an example (I am now quoting from Parliamentary Paper, 342, of 1854), that when the rate of discount on the 26th of December 1850, stood at 3 per cent., and remained at 3 per cent. for a year, the monthly average amount of discounts at the Bank of England was 1,109,000*l.* On the 2d of January 1852 the rate of discount was reduced to 2½ per cent., and remained at 2½ per cent. three months and a half; and I find that the average amount of discounts of the Bank of England was then reduced 50 per cent., namely, it fell from 1,109,000*l.* to 510,000*l.* I further find, that on the 12th of April 1852 the rate of discount was reduced from 2½ to 2 per cent., and that the average monthly amount of discounts for three months following that was 438,000*l.*, or 80,000*l.* less than it had been under the rate of 2½ per cent.

1469. You are aware that the Bank of England keeps up its amount under discount by certain contracts which it has with bankers in the country?—To a certain extent.

1470. The contracts being that they shall always hold a certain minimum amount of discounts with the Bank of England?—I believe that is so.

1471. Therefore, practically, if you deduct that amount, it may be said that the discount business of the Bank of England was reduced to nothing?—It would so appear.

1472. With regard to variations in the rate of discount, what do you think is the effect of a rise in the rate of discount?—The effect of a rise in the rate of discount in the open market is no doubt, if the rise is an important rise, to disturb materially transactions and operations which have been entered into upon the assumption that no such rise would occur.

1473. Do you refer to commercial operations, or to permanent investments?—I should rather refer to commercial operations.

1474. What would be the ponderable effect of a rise of even 1 per cent. in the rate of discount upon commercial operations?—It would depend very much upon the length of time required to carry the operation to a completion; judging from the manifestations of inconvenience and distress which always accompany any important rise in the rate of discount, it is difficult to avoid the conclusion that rises in the rate of discount are found to be extremely inconvenient and injurious.

1475. Does not it depend rather upon the facility of procuring capital, or otherwise than upon the mere effect of the rise in the rate of discount?—I think that is very probable.

1476. Do you not therefore consider that the effect produced must be rather by placing difficulties in the way of commercial transactions than by the increased charge upon them?—I think the apprehension, generally speaking, is very

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very likely to exceed any actual inconvenience which the rise occasions. The mere arithmetical amount of increased charge occasioned is, I think, generally understood to be very greatly exceeded by the apprehension attending a monetary panic.

1477. It is a moral effect produced by the apprehension that capital will not be forthcoming to conduct operations which are in progress to a conclusion?—Yes; and that calculations and transactions which have been entered into upon the assumption that no change would take place in the rate of discount, will be disturbed.

1478. Would the mere alteration of a calculation, giving rise to the fear that an operation which has been entered into, instead of being profitable, will involve a small amount of loss in consequence of the variation in the rate of discount, cause that amount of alarm which you conceive to be caused by a rise in the rate of discount?—The apprehension goes beyond that, therefore you find a very general expression of uneasiness to be occasioned by any important rise in the rate of discount.

1479. Is not that owing rather to the difficulty of procuring discounts at those periods, than to the mere rise of price?—I should think it is.

1480. Then the real effect is produced by the difficulty of procuring capital for carrying on commercial transactions?—I should think that a very considerable part of the effect is produced in that way.

1481. Do you not, therefore, consider that if at such a time you limit the terms of bills which you will discount, that will have a greater effect in preventing the extension of commercial transactions than in raising the rate of discount?—I think it would, under certain circumstances. I think, under certain circumstances, limiting the term of the bills admitted by the Bank to discount, is a much more severe measure as regards the commercial public than merely raising the rate to any ordinary supposable amount.

1482. Do you think that you might maintain a comparatively low rate of discount for shorter loans if you shut your doors against securities having a long term?—That might be done, but you must be prepared for this consequence, that then bills of exchange would be drawn at the required usance, in order to meet the conditions which the Bank had imposed.

1483. But can commercial transactions in a general way be carried on upon shorter credit than is now taken for them?—The presumption would be, that they could not; but in a special case of that kind where capital was required, it is quite supposable that bills of exchange would be drawn upon an *échéance* that would come within the Bank rules.

1484. That would be merely for the temporary object of obtaining capital from the Bank?—I should think that very likely.

1485. Not as a permanent mode of conducting the business of the country?—I should think not, under those circumstances.

1486. I understood you to say that you considered that the reserve of bullion in the Bank might go down to 8,000,000*l.*, and that it would demand a special consideration of the circumstances of the period to allow it to go below that?—Yes.

1487. Would it not be desirable that the Government should be consulted upon such a contingency?—No; I would much rather leave it in the discretion of the Bank.

1488. You are aware that the effect of the present law is, that on the total bullion of the Bank sinking to 8,000,000*l.*, the Bank would have to apply to the Government for a special consideration of the circumstances, as was the case in 1847?—Yes, it would.

1489. You stated that you think that the Bank should be entitled to compensation for holding a larger amount of bullion than otherwise was found necessary for the immediate conduct of their business?—I think that would be only reasonable.

1490. Would the amount of bullion which they would be expected to hold, form a portion of their deposits or of their capital?—It would form a portion of their assets.

1491. Do you contemplate that they should invest their deposits in a certain amount of bullion, or that they should invest their capital in a certain amount of bullion?—That I should leave entirely to their discretion.

1492. You

1492. You contemplate that they should hold a certain amount of bullion, which should form a guarantee for the whole of their liabilities, whether those liabilities consist of circulation, or whether they consist of deposits?—Certainly.

1493. It is therefore immaterial whether we consider the bullion as forming a portion of their capital or a portion of their deposits?—Entirely.

1494. Then how would you effect the object of the Bank maintaining a certain amount of bullion in proportion to those two liabilities?—The mode of effecting that would seem to be, by the Bank not reducing its rate of discount below a certain point. That point, I venture to suggest, might be 4 per cent. The effect of the Bank not reducing its rate of discount below a certain point, when bullion was flowing into the country, would be necessarily that the bullion reserve of the Bank would increase. It might increase, as it did in 1853, to a very considerable amount. We know quite well that changes in the rate of discount move in cycles; and that if you have a very low rate of discount in consequence of capital being abundant and cheap, an alteration would take place in the quality of the bills admitted to discount, and there would be in consequence a large extension of the transactions and trade of the country. That large extension of the transactions and trade of the country, sooner or later, produces a rise in the rate of discount, and it may or may not (generally it has done so) produce an efflux of treasure. That efflux of treasure will then be drawn from the very large accumulation of treasure, which under the circumstances we have supposed to be found in the Bank of England. Judging from experience, it is very unlikely that the efflux of treasure arising from any oscillation in the foreign trade will proceed beyond 3,000,000 *l.* or 4,000.000 *l.* sterling. The effect of this system would, therefore, be, that by means of an affluent reserve of treasure in the Bank of England, the action of the Bank of England as regards the general money market would be of an equable character. On the one hand the Bank rate of interest would not descend below 4 per cent.; and on the other hand there would be no necessity for its being raised to a very high point on account of the exhaustion of the bullion reserve of the Bank.

1495. But we have seen that the amount of discounts of the Bank of England, even at a much lower rate than 4 per cent., is in reality of no importance at all?—Yes.

1496. Therefore, the accumulation of capital in the Bank was due to natural causes, and entirely distinct from the action of the Bank?—Perfectly.

1497. And the cause which has reduced the amount of treasure in the Bank is also one which is quite distinct from the action of the Bank, being the effect of the demand for the export of bullion in payment of foreign debts?—Speaking generally, that is so. I think, however, that during the last 12 years there have been cases where the Bank of England, in consequence of its previous reduction of the rate of discount to an extreme point, has produced a reaction more violent than would have followed if the rate of interest not been reduced to that point; but as a general rule, I imagine it is quite true that the increase or decrease of the bullion reserve in the Bank is something in which the Bank is passive; something in which the Bank is a recipient, without any discretion on its own part.

1498. When you say that an adverse exchange may be corrected by the transmission of 3,000,000 *l.* or 4,000,000 *l.*, do you take into consideration the present condition of the trade in this country, in which large amounts of bullion are brought from the gold-producing countries and are used in the payment of large amounts of foreign debts incurred in this country?—The circumstances of this country since the close of the war, in consequence of the effect of the gold discoveries upon the general trade of the world, are no doubt very different from the position of this country at any former period. Those circumstances, therefore, are, to a large extent, exceptional; but I think it will be found, by a careful examination of facts since the close of the war, that any adverse balance which might exist against this country, arising out of its foreign trade, has been very quickly overtaken, and very quickly met and extinguished by an increase in the export of commodities by this country. Without going at present into any larger question of the operation of those general causes which determine the distribution of the precious metals throughout the commercial countries of the world, it will be found that those causes explain very clearly and specifically why it has happened that gold has

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has merely passed through this country without remaining here: but without going into that abstruse part of the question, I think that the experience of the last year and a half goes to show that whatever increase may have taken place in the indebtedness of this country, as regards its imports, that indebtedness has been very rapidly overtaken and extinguished by an increase of its exports.

1499. Still, as a large amount of treasure has been exported out of this country it must have been in payment of importations into this country?—It must have been in payment of importations into this country, or of obligations incurred by this country on behalf of other countries. Take, for example, the Eastern trade; it is quite well known that a very large part of the balance which has been paid in bullion in the first instance immediately by this country, has not been exclusively on account of this country; that the transmission of treasure to the East represents the payment of debts arising out of imports of silk and tea, not merely into the United Kingdom, but also into France, and other parts of Europe and the United States. As regards the balance of trade between the United Kingdom and India, that balance of trade very rapidly and completely adjusts itself; and for the last two years the balance of trade as between this country and India has been distinctly in favour of this country. The large remittances of treasure that have taken place to India have not been for the discharge of mercantile debts due from this country to India, but for the purpose of placing in India English capital, to be expended there in the construction of railways.

1500. Are you aware of the amount of capital which is employed upon those railways annually?—I believe the remittance of English capital at the close of 1856, on account of railways constructing in India, was about 12,000,000 *l.* sterling.

1501. Is not a great portion of the capital subscribed for Indian railways invested in rails and steam engines?—Perfectly. I ought to have added that the whole of the 12,000,000 *l.* has not been remitted—the whole 12,000,000 *l.* has been remitted minus the portion employed here in the purchase of rails, or other commodities required in the construction of the railways, but I think I can find a statement from which I have very good authority for saying, that as much as 6,000,000 *l.* or 7,000,000 *l.* has distinctly gone in treasure of various sorts.

1502. You are aware that the remittance of bullion to the East has been for some time past at the rate of nearly 1,000,000 *l.* sterling per month, or 12,000,000 *l.* per annum?—Yes.

1503. Now the whole amount of capital subscribed for the Indian railways spread over several years, of which only a very small portion (as I am informed, not much more than 2,000,000 *l.* or 3,000,000 *l.*) has been required to be sent in money, is 12,000,000 *l.*?—About 12,000,000 *l.*

1504. Therefore the construction of railways in the East cannot account for the transmission of very nearly 1,000,000 *l.* sterling per month of treasure to those countries?—It would not account for the whole of it. A considerable part of that has gone on to China, where, no doubt, the balance of trade is against the Western countries. My answer referred to India. There is another point I would add. Mr. Weguelin is quite aware that a considerable amount of silver has been sent out to the East merely as an exchange operation; it has not been carried out either for the payment of balances or for investment in railways, but it has been carried out merely as an operation on the exchanges.

1505. To be invested in bills drawn upon this country?—Yes.

1506. Those bills are drawn against produce shipped to this country?—Generally speaking, they are.

1507. Under the present circumstances of the trade, can it be said that you can correct an adverse exchange by the transmission of 3,000,000 *l.* or 4,000,000 *l.*?—Where you have a large investment of that sort going on in a foreign country as a permanent employment of capital, probably not. That is entirely an exceptional case, just as the transmission of gold and silver to the Crimea for the purposes of the Commissariat expenditure was an exceptional case.

1508. But the constant receipts of bullion which we have had in the last three or four years from the gold-producing countries have enabled us to meet all those exceptional cases to which you allude as well as the balance of trade which may be said to have been against us?—Yes; and if it had not been for those large arrivals of gold those exceptional cases could never have become of the formidable

formidable magnitude at which they have arrived. It has been the operation of cause and effect.

1509. Is it not the case, then, that those large receipts of gold have contributed more to the satisfactory position of the Bank of England, under the peculiar circumstances of the period, than the operation of the Act of 1844?—To my mind, that is a conclusion almost self-evident. With the permission of the Committee, I will give them three cases. At the close of 1853, there was a considerable apprehension in the public mind, and in September of that year the Bank of England raised its discount on three occasions. It made three alterations in the rate, all in the direction of advance. In the early part of October there was a considerable degree of apprehension and alarm in the public mind. That apprehension and alarm was relieved to a very great extent before the end of November, and was almost wholly removed, in consequence of the arrival of nearly 5,000,000 *l.* of treasure from Australia; that is one case. The same thing happened in the autumn of 1854, by the arrival in the months of October and November of nearly 6,000,000 *l.* of treasure. The same thing happened again in the autumn of 1855, which we know was a period of excitement and alarm, by the arrivals, in the three months of September, October, and November, of nearly 8,000,000 *l.* of treasure; and then at the close of last year, 1856, we find exactly the same occurrence. In truth, I might appeal to the observation almost of any member of the Committee, whether the natural and complete solvent to which we have got into the habit of looking for any financial pressure, is not the arrival of a gold ship.

1510. Supposing the limitation upon the issues of the Bank of England to be continued as it is at present, do you not think that the circumstances of trade at present are such as to enable the trade to conform more readily to that state of things than formerly was the case?—There is no doubt that every improvement in the means of communication, every extension of the telegraph, and every extension of railway, diminishes the necessity for the transmission from one country to another of amounts of gold and silver, which is the most unprofitable kind of trade that can be carried on; all those causes render the necessity for the barren transmission of those commodities less and less.

1511. The electric telegraph, in point of fact, enables persons, when they find that capital is growing scarce in England, immediately to put a stop to their commercial transactions in foreign countries?—There is not the least doubt of it. When the telegraph becomes more extended, it is probable that we shall then see a practical extinction of the doctrine which has been held for so long, that drains of bullion are determined by the depreciation of the currency of one country as compared with the currency of another country, and not by the balance of commercial wants between the various nations of the world.

1512. Then, as far as that argument is concerned, there is less objection to a limitation of the issues of the Bank of England now than there was in 1844?—If by "a limitation of the issues of the Bank of England" you mean that there is less objection to any legislative interference with the action of the Bank of England as a bank, I think it is so.

1513. You stated that a country banker has no power whatever of increasing his circulation?—I believe none.

1514. Are there not periods when a large amount of circulation, whether of notes or of gold, may be held by the public in consequence of the state of trade or the condition of the population?—No doubt.

1515. If the circulation consisted of 1 *l.* notes, might not a larger amount of 1 *l.* notes be absorbed in consequence of those causes?—That not only might be so, but it frequently has been so. The circulation of the Bank of England, in the very active year of 1853, was about 2,500,000 *l.* higher, upon the average of six months, than it had been for a very considerable time previously to that. There is no doubt whatever that if you increase transactions, if you increase dealings, and if you increase the price of commodities to be exchanged, other things remaining the same, you require more circulating medium. It is only upon that principle that we can explain to ourselves, what seems to my mind to be the fact, that, during the last seven or eight years, the amount of sovereigns circulating in the United Kingdom has been increased 25 per cent. We cannot suppose that these sovereigns have been called out for any idle purpose; they have been called out to answer some want.

 1516. Would

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1516. Would you not consider any limitation to the credit circulation to be more necessary where the issue consisted of 1 *l.* notes, than where it is of a higher denomination, the higher denomination of notes not entering so much into the ordinary retail transactions of the country as the 1 *l.* notes?—I am entirely opposed to any notes below 5 *l.* notes. It appears to me that the moment you contemplate, as a novelty, the introduction of any kind of notes of a lower denomination than 5 *l.*, then the whole complexion of the case is changed. The considerations of policy which I have suggested have no bearing upon the circulation of notes of a smaller amount than 5 *l.*

1517. Then do I rightly understand you to say, that you think that the present arrangement with regard to Scotland and Ireland, which limits their circulation, consisting to a great extent of 1 *l.* notes, to the amount which they had in 1844, and which prescribes that whatever they issue further shall be upon the deposit of gold, is a necessary and politic regulation?—No; I think it is neither the one nor the other.

1518. You do not think that an issue of 1 *l.* notes demands a greater amount of security in respect of deposit of bullion, than the issue of a larger denomination of notes?—Not in the circumstances of Scotland and Ireland.

1519. You stated with regard to the amount of the bills of exchange circulation, that there is no connexion between the circulation of promissory notes, bankers' notes, and the amount of bills of exchange?—I can discover none.

1520. But that the volume of bills in circulation increases with the rate of discount?—It seems to do so.

1521. Do you consider this circumstance as indicative of an effort on the part of the public to supply itself with circulation?—I think so.

1522. Or is it only an effect of the state of trade, which also causes a diminution of the bankers' resources, and a rise in the rate of discount?—The explanation seems to me to be one which I have always heard given by persons who had the best means of observing the character of the Bill Circulation, and the variations in that circulation. The explanation I have always received is this: that in quiet ordinary times the great operations of credit are carried on, not by means either of coin, or bank notes, or bills of exchange, but are carried on by entries in ledgers. In quiet ordinary times the ledger is the real instrument of exchange; but when any difficulty arises; when, for example, under such circumstances as I have suggested, there is a rise in the Bank rate of discount, and a probability of a limitation being introduced at the Bank as to the *échéance* of bills admitted to discount, then the transactions naturally resolve themselves into drawing bills of exchange, those bills of exchange being not only more convenient as regards legal proof of the transaction which has taken place, but also being more convenient in order to effect purchases elsewhere, and being pre-eminently convenient as a means of credit by which capital can be raised. That is the explanation which I have always received, and that I believe to be the true explanation. A notion has been entertained by a great many eminent persons that if you limit the quantity of Bank notes circulating from hand to hand, Bank notes being defined as pre-eminent above all other forms of credit, being essentially money, by that limitation you control and limit, and keep within bounds, and prescribe a certain course of action to, all other forms of credit. Now the figures to which I have referred do not in the least degree bear out that hypothesis, but, on the contrary, seem to give it a flat contradiction. In point of fact, the moral of this table (*referring to the Table put in by the Witness. See* Q. 1426) would seem to be very much this,—that you are just as likely to control the action of credit by endeavouring to control the amount of Bank notes as you are likely to stop the traffic of London by shutting the gates of Temple Bar.

1523. Then the creation, at that period, of bills of exchange is an effort on the part of persons in business to borrow money from their bankers?—That, no doubt, is one reason for their creation.

1524. The satisfaction of those demands must of course depend upon the amount of capital applicable to the purpose?—No doubt.

1525. It therefore resolves itself into this: that those bills of exchange are not useful as circulation, but they are a means of obtaining a command over the available loanable capital of the country at the time?—I intended to say that bills of exchange in times of high interest, and of anything like discredit, are created for

for three reasons. The first of those reasons is that they form decisive evidence of the debt; they confirm and fix the transaction. In the next place they are intended to serve the place of currency, because a man who is not of very high standing is more likely to accomplish a purchase if he can offer a bill of exchange which bears his own name, and bears also the names of two or three other persons, than by merely tendering his own security. That is a second reason why bills of exchange are increased in times of difficulty. The third reason, which is generally supposed, I think, as far as I am at present able to judge, to be the least important of those reasons, would be the convenience of being able to present the bill for discount.

1526. Mr. *Hankey*.] At any period when the rate of interest was below 4 per cent., the consequence of the Bank not discounting below 4 per cent. would be that they would be obliged to lend their money on other securities; to that you do not object?—Not under special circumstances.

1527. If lent to the Stock Exchange on any other securities, say at 2 or 3 per cent., would not the effect be that whatever amount of Bank money was so employed, the same amount of other money would be released, which, seeking employment, would probably find its way into the discount market; so that the effect on the discount market would be precisely the same as if the Bank had lowered their own rate of discount. If by that means the rate of interest is lowered generally out of doors below 4 per cent., do you see any difference whether the effect is produced by the Bank lowering its rate, or by an indirect operation of the Bank producing the same effect?—Without going into the metaphysics of the question, I would rather refer to what was the fact before 1844. There is a very considerable difference between the state of things prior to 1844 and after 1844. Prior to that date a certain system prevailed, and subsequently to that another system has prevailed, and the two systems admit of being compared together.

1528. Mr. *Spooner*.] You have been asked about requiring securities for the issue of country bankers' notes, and you have stated that you see no reason why that security should be required; do you not see that there would be a great deal of inconvenience arising—and, perhaps, injustice—to country bankers from requiring that security?—I think there would be both.

1529. In fact, the security would be deposited at a time when things were prosperous, and when money was not wanted; but if the notes should be brought in for payment, and there should be occasion to apply to that security, you would find that security saleable at a much less price than it bore at the time when it was deposited?—I think that very likely.

1530. Would it be just to require from the country bankers security, without at the same time giving them an indemnity that they should receive back the same sum of money for their security that they put in?—No doubt there would be great inconvenience about it; for my own part, I have heard no argument which establishes upon satisfactory grounds any reason why a man, who is a note-holder, should have the advantage of a preferential security over another man, who is merely a depositor. There is no doubt some difficulty in the matter; but it seems to me not to be a question involving real and fundamental distinctions, but to be one involving distinctions of a very subtle and uncertain character, and that wherever you drew the line there would be great and anomalous inconveniences, and practically, I have no doubt, the result would be that any preferential rule that was laid down in favour of the note would be found very inconvenient and very unprofitable. In practice it would come to this, that the position of the depositors would be extensively damaged for the sake of securing a very problematical advantage to the mere holders of notes.

1531. Is not requiring from the country banker security for his notes, in fact, requiring him to pay them twice over, because he must of course keep a certain sum of money ready to meet his daily demands, and he must keep another sum of money ready to meet this provisional demand?—That has always been the view taken of it by country bankers; and when any attempt has been made to obtain security from country bankers for their circulation, their answer has been, that rather than give security they would relinquish their circulation.

1532. What is your general opinion about the justice or the convenience of the case?—I have already stated that I think it would be both unjust and a great inconvenience.

 1533. Supposing

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1533. Supposing you were to drive the country bankers to withdraw, or greatly to diminish their circulation, must not that circulation be filled up by an increased amount of Bank of England notes?—Yes; and one effect would be that the facilities afforded by country banks all over the country would be diminished, because there is no doubt that at the present time the great amount of circulation of the country bankers enables them to transact their business on terms much more favourable to the public than they could afford to receive in the event of the circulation being withdrawn.

1534. From your knowledge of country banks a few years ago, what would be your estimate of the amount, generally speaking, of their circulation now as compared with the whole transactions of the Bank?—The circulation forms a very small part indeed.

1535. Supposing any cause was to drive out the country circulation, and Bank of England circulation was substituted in its place, do you or do you not think that there would be a great increase of forgery?—I think there would be a great increase of forgery; and I think that Bank of England notes would be found a very inelastic and a very unaccommodating circulation in remote parts of the country.

1536. Is not one reason why there is less forgery of country bank notes than of Bank of England notes this, that the circulation of the country bank notes being a local one, any forgery is very quickly detected, and put an end to?—Certainly; the occurrence of forgery in notes of a local bank is almost unknown; there have been instances of it, but they are exceedingly rare. The radius within which notes of private bankers circulate is much narrower than I believe most persons who interest themselves in this question have the least idea of; I think I have seen cases where a country note issued in, say, town A., distant eight miles from town B., would certainly not pass with any facility in town B.

1537. But Bank of England notes being circulated all over the country, a forgery is much less easily detected?—Certainly.

1538. Supposing a man forges local country notes in any district, if he is detected in that district his whole trade is stopped; but if he is suspected in one county of passing a forged Bank of England note, away he flies to another?—Certainly; as far as my observation goes, country people are reluctant to take Bank of England notes.

1539. *Chairman.*] Is the forgery of Bank of England notes a practical evil of any magnitude?—I believe not, at the present time.

1540. Does it occur to you that the comparative exemption of country bank notes from forgery is an advantage on the side of country bank circulation of any appreciable value?—I think it is of considerable value.

1541. Mr. *Hildyard.*] If I rightly understand the purport of your objection to the Act of 1844, it is this, that although you agree in the expediency of keeping up a large bullion reserve in the Bank of England, you object to the Bank being fettered in the use of the whole of that reserve on particular occasions?—Yes.

1542. The present system, by (as you express it) cutting the bullion in reserve into two parts, gives the Bank practically a control over only one-half of the bullion that is in its coffers?—Yes, and that half the smallest.

1543. It is admitted that the necessity of having suddenly a recourse to very stringent measures on the part of the Bank is a great evil?—Certainly.

1544. Is not the frequency of having recourse to such measures increased by the circumstance that the Bank has practically a command over only one-half of the bullion that it possesses?—I believe that the frequency and the violence of the alterations in the Bank rate of discount are to be traced, if not wholly, at least principally, to that circumstance; that the transactions of the whole establishment, which remain exactly as they were before 1844, have to be carried on now by means of only half of its ordinary resources.

1545. In other words, assuming that it was the principle that the Bank should endeavour to keep at least 10,000,000 *l.* or 12,000,000 *l.* of bullion in its coffers, if it had a control over the whole of that amount of bullion, would it not in your opinion be in a position to meet a great proportion of the ordinary drains that would occur, without the necessity of any very violent action upon credit?—I believe it would.

1546. Therefore you object to the substitution of a mechanical action for the discretion

discretion of the Bank Directors?—I do. I think it is one of the greatest misfortunes that ever befel this country, when a doctrine became fashionable to the effect, that you are to manage any establishment of the nature of the Bank of England by means or by virtue of any mechanical contrivance or any fixed formulæ.

1547 If there is any foundation for saying that such a course is desirable, does it not rather go to prove that the Bank Direction is not properly constituted, than that the substitution of a mechanical action is a necessary measure to have recourse to?—There is no doubt that for the management of the Bank of England you require mechanism of the most perfect order, and that you require to have persons at the head of the establishment who have the advantage, not only of very great ability, but also of the best means of information.

1548. Then, if you are of opinion that these restrictions in the Act of 1844 are irrational, you would prefer to see the principle relaxed, although you might desire that it should not exist at all; that is to say, you would approve of an alteration in the Act which should give to the Bank greater credit and circulation than at present, as being *pro tanto* an approach to an unrestricted control on the part of the Bank over its bullion?—*Pro tanto*, no doubt that would be the tendency of it.

1549. It has been stated by the late Governor of the Bank that the principal upon which the Legislature fixed upon 14,000,000*l.* as the credit circulation was, that after making a deduction of 1,000,000*l.* for bank post bills, and 600,000*l.* for lost notes since written off, 14,000,000*l.* would be the lowest point which the active circulation had ever attained, and then by requiring that bullion should be held for every note issued in excess of the 14,000,000*l.*, the Act provided for that which seemed to be its only object, namely, the securing the convertibility of the note?—Yes.

1550. Now, it appears that the minimum active circulation of the Bank since the Act of 1844 is 16,700,000*l.*?—That does not include bank post bills.

1551. The late Governor of the Bank stated in his evidence, that he did not contemplate that the minimum active circulation of the country would fall below 16,500,000*l.*, or thereabouts; therefore, assuming the principle upon which the Legislature proceeded in 1844, are we not taking the same security for convertibility that was then adopted, if we say that bullion shall positively be reserved to the extent of every note issued above 16,500,000*l.*?—Yes, that assumes that the minimum is now as it was then.

1552. I understand that you, regarding the restriction now imposed by the law as an irrational one, approve of such an extension of credit circulation as being, *pro tanto*, a relaxation of that principle?—Yes; if I am disposed to go to Birmingham, I can have no objection to walk as far as Hendon with anybody going in the same direction.

1553. Mr. *Puller*.] You are of opinion that in case the Bank should be obliged to keep a larger amount of bullion than they do under the present system, they would be fairly entitled to compensation from the public. Now, supposing that your proposition were entertained of restraining them from lowering their rate of discount below 4 per cent., and that there were to be a new bargain made with the Bank, under which they should be restrained from discounting below 4 per cent., would not that be a circumstance that would give them a claim for additional compensation from the public?—Yes, that would be a circumstance to be taken into account.

Martis, 9° die Junii, 1857.

MEMBERS PRESENT.

Mr. Ball.	Mr. Hankey.
Sir Francis Baring.	Mr. Hildyard.
Mr. Blackburn.	Mr. Hope Johnstone.
Mr. Disraeli.	The Chancellor of the Exchequer.
Mr. Ennis.	Mr. Tite.
Mr. Fergus.	Mr. Vance.
Earl of Gifford.	Mr. Weguelin.
Mr. Glyn.	Mr. Wilson.
Mr. Puller.	Sir Charles Wood.
Mr. Spooner.	

THE RIGHT HON. THE CHANCELLOR OF THE EXCHEQUER, IN THE CHAIR.

William Newmarch, Esq., called in; and further Examined.

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1554. Mr. *Glyn*.] I THINK you said that you were connected for some time with the bank of Leatham, Tew, and Co.?—Yes.

1555. I believe they had establishments at Wakefield, Doncaster, and Pomfret?—They had.

1556. Was their note circulation large?—Their note circulation was considerable.

1557. Wakefield is, of course, a town of considerable standing?—Yes. The circulation of Wakefield was the largest.

1558. Pomfret is chiefly agricultural?—Pomfret is entirely agricultural.

1559. What do you think would have been the effect of making those bankers give security for their circulation as regards the agricultural part of their business carried on at Pomfret?—It would have very much diminished the profits of the business; and I think, as a matter of practice, it must have compelled the bank to charge higher terms to its customers, and to charge commissions where they did not charge commissions, and to impose other charges of various kinds.

1560. From your knowledge generally of that part of England, and of the operations of country bankers there, do you think that that would be the effect generally with respect to banks established in country districts if they were obliged to give security for their circulation?—I have no doubt of it. I should think that, in the Wakefield district, the profit arising from the circulation is a very important element in the transactions of each bank.

1561. Mr. *Wilson*.] If the Bank gave security for its circulation, or for any portion of it, as that security would consist of investments bearing interest, it would not deprive them of the profits of their circulation, would it?—It would very much depend upon the kind of security bearing interest.

1562. Is not it the case at the present time, that every well-conducted banker keeps a large portion of his assets in Government securities?—He keeps some portion of his assets, no doubt, in securities of that kind; I should not think that, as a rule, country bankers keep any very considerable part of their assets in Consols or Exchequer bills.

1563. The circulation of a banker, so far as it is kept out upon the average, is an addition to the effective capital of that banker, is it not?—Certainly.

1564. Then whatever profit he derives from that circulation is a profit derived from credit, and not from a capital which he actually possesses?—Certainly.

1565. Then, if he invests the amount of his circulation in Consols, which, upon the average, may give him $3\frac{1}{4}$ per cent. interest, would he not be deriving a profit

a profit of 3¼ per cent. (that is the dividend upon the Consols) as a distinct profit upon his credit circulation, irrespectively of his capital?—Supposing the rate of interest borne by Consols, in which he invested the net amount available from his circulation, to be 3¼ per cent., that would be the result of it

1566. Is not 3¼ per cent. a fair profit for a banker or a person in any trade to make for a mere addition to his capital resting upon his own credit, and nothing else?—I should not be disposed to agree in that view of the question; I think that 3¼ per cent., taking into account the responsibility and the expenses incurred, would be an inadequate return.

1567. You will bear in mind that the profit of 3¼ per cent. derived from his issue would be in addition to the other profit derived from his bank as a bank of deposit; if he were permitted to issue, and if he actually kept in circulation, 100,000*l.* in notes, and if he derived 3¼ per cent. profit upon his circulation, that would be in addition to the existing profit of his bank as a bank of deposit, and with very little addition to the expense of the conduct of the bank?—Yes; but you must take into account the conditions of the problem. In the first place, supposing an outstanding circulation of 100,000*l.*; against that is to be set the inconvenience and loss of the reserve which he would have to keep, which, according to the ordinary formula of stating the case, would reduce the 100,000*l.* to something like 65,000*l.* or 70,000*l.* There is then to be further deducted the expense of carrying on the circulation; there is the manufacture of the notes, and there is the increased expense of book-keeping and administration connected with the circulation itself. That is somewhat heavier than, I think, the Committee are disposed to imagine. Beyond that, according to the supposition suggested by the question, that the security is to be kept in Consols, a great deal would depend upon the price at which those Consols were lodged on the one hand, and upon the power given to the banker to change them on the other. As a practical question, it has always been found, during the last 25 or 30 years, that whenever it has been suggested to the country bankers that they should give security for their circulation, they have always said that giving security would so materially interfere with their business, and reduce it to so small a margin of profit arising from their circulation, that they would rather give the circulation up. Speaking from my own practical acquaintance with these matters, I can easily suppose that it would be much more for the advantage of a banker to resign his circulation altogether than to have to carry it on under those conditions.

1568. Is it not the case that country bankers, particularly in agricultural districts, employ a very large portion of their floating capital with bill brokers in London?—Yes.

1569. Do you suppose, taking the average of years, that the rate which they obtain for the use of that portion of their assets is equal to 3¼ per cent.?—On the average of recent years it has been more than that; but the Committee must bear in mind, when the case is stated dryly in that form, that the country banker places a large part of his floating capital with London bill brokers; that he does not place that capital with the London bill brokers as a mere dry investment, in the same way as London bankers do. In the case of the country banker, he sends up the cash on the one hand, and receives back from the London bill broker Bills of Exchange on the other. Those bills of exchange are made available for the supply of the local requirements of his district. It is a point of principle and of honour with all country bankers, never to allow to pass over their counter a local bill of exchange which has once come into their possession. To circulate those bills of exchange would be to disclose the transactions of their customers. But there is a very considerable demand for bills of exchange across the counter of a country bank, and that demand is met by the country banker re-issuing the bills which he has received from London as security for the advance he has made to the bill broker; therefore those deposits by the country banker constitute in reality the most important and delicate part of his financial operations.

1570. Are you not aware that of late years it has ceased to be the practice of country bankers, and especially of large joint stock banks, to reissue bills of that kind, and that their practice is to supply their customers with letters of credit or drafts upon their agents in London?—I am quite aware that it is the common practice, not only of joint stock banks, but also of private bankers, to establish credits, and to grant credits sometimes to a very large amount by means of

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drafts or obligations of their own which they issue; but that is a class of business entirely distinct from the class of business to which I referred.

1571. What I mean is, that if a customer of a bank at Norwich, for example, wants to make a remittance to London of 50 *l.*, the practice in past times used generally to be for the banker to give him out of his portfolio a bill which had a short time to run; but of late I understand that the practice has been, that instead of the bankers reissuing bills with endorsements upon them, they are in the habit of giving letters of credit upon their agents in London, or issuing their own drafts upon their agents in London?—Yes. If a person comes to the counter of a bank at Norwich with 100 *l.*, and says that he wants to send that 100 *l.* to London, and he is willing to take a bill at 21 days' date drawn by the banker upon London, that is to say, if the person bringing the 100 *l.* in cash is content to wait 21 days before the 100 *l.* can be received at the point to which he desires to remit it, the banker is ready to give it to him. But I have generally found that persons who bring cash to the counter of a country bank, if they are conversant with business, are more anxious to take a bill out of his portfolio having only eight or ten days to run, bearing their endorsement, rather than take their own draft for 21 days; the rule being that if it is for less than 21 days a commission is charged.

1572. Mr. *Weguelin.*] Do those endorsed bills circulate in the country?—Certainly; but that is only one of the modes in which those bills of exchange are made available. The most extensive mode in which a country banker reissues those bills of exchange, is to reissue them to his various customers who are engaged in the various markets which have their particular usances of credit. In the cloth market, for example, the usance is so many months; in the corn market it is so many months. On market days in those places, it is the habit for the customers to resort to the country banker, and take out of his portfolio bills to be endorsed by him which will suit their various terms of credit, and they are paid away.

1573. That is one of the modes which the country banker uses for supplying his limitation of issues?—It is one of those modes which illustrate very forcibly the entire fallacy of the supposition, that it is by means of the country bank circulation that the operations of credit are performed. The great operations of credit through the country banker are performed in that way by bills of exchange taken out of the banker's portfolio, and endorsed by him, and passed over to merchants and others, and then paid away. It is an operation entirely distinct from the issue of notes.

1574. Mr. *Glyn.*] Is it not a matter of fact, that in Lancashire nearly all the operations are carried on in that way; that there are no local notes, and a comparatively small circulation of Bank of England notes; but that the circulation is carried on by the endorsement of bills of exchange?—It is carried on in that way.

1575. Those investments in London to which you have alluded are investments made by the country bankers, for the purpose of meeting, not their own notes only, but the liabilities that may come upon them, whether from depositors, or from any other source?—Quite so.

1576. Mr. *Wilson.*] Would it not answer the country banker's purpose in precisely the same way to do that which is the custom now of some of the joint stock banks, who make it a rule never to re-issue a bill with their endorsement, but send those bills to their London agent, raising a credit with their London agent, and drawing against it, or giving a letter of credit at the number of days' sight that the customer requires?—There would be a degree of friction, and a degree of inconvenience, and a loss of time in the mode suggested in the question, which does not occur in the case of bills taken out of the banker's portfolio. They are bills drawn in a distant part of the country, where the parties are perfectly unknown. It is a transaction which is completed in five minutes.

1577. Those bills come to London?—Yes.

1578. Therefore having a circulation over the whole country?—Yes.

1579. Are you aware that many of the largest joint stock banks make it a rule never to re-issue a bill with an endorsement?—I think it will be found on inquiry that that rule is only not to issue any local bill with their endorsement. But I am not aware of any rule which has ever been adopted either by a joint stock

stock bank or a private banker, not to re-issue a bill which they have obtained from a distance, where the bill was required for the wants of their constituents.

1580. To revert to the former question, whatever interest the country banker derived from the securities which he so lodged with the Government would be so much additional profit beyond what he would make by his business, if his bank were only a bank of deposit?—If the bank was only a bank of deposit the business would adapt itself to that condition of things. The charges for the business would no doubt correspond, in process of time, to the kind of business to be transacted. There can be no doubt of that; bankers are not so deeply imbued with the spirit of philanthropy as to carry on their business for nothing. The possession of a circulation by a country banker no doubt gives him the command of more capital, and more power; but the business of banking being entirely an open business, one issuing bank competes with another, and the effect is that in a very short space of time the public have every advantage that can be derived out of the existence of this country circulation.

1581. Then is not it the fact, that any advantage obtained by the country banker from his circulation resolves itself in the long run into an advantage to the public, by reason of the better terms on which the banker will do his business in consequence of that advantage?—Certainly.

1582. That is the effect of competition between different bankers?—Certainly.

1583. Therefore the public are indirectly benefited by the banker deriving a profit from his circulation?—Ultimately; but if the public resorting to a bank are prepared to pay higher charges in consequence of some supposed advantage to be derived in another mode, that is for the public to consider.

1584. Supposing there are two banks in the same town, the one a bank of circulation, and the other a bank of deposit, the former would have an advantage over the latter in the terms upon which it would conduct its business by deriving a profit from the circulation which the other had not?—Yes.

1585. Therefore the principle of competition can only be brought to bear, as between two banks, if both banks have equally the privilege of issuing notes?—Yes.

1586. If you give to one class of banks a monopoly of that privilege, withdrawing it from the great bulk of banks, which are only banks of deposit, in that case you enable the bank to whom that monopoly is given to secure to themselves that additional profit without giving it to the public?—The answer to that is, that practically there are no cases in which there are in the same town a bank which is carrying on business merely as a bank of deposit, and another bank which is not only a bank of deposit, but also a bank of circulation. The two things cannot exist together.

1587. Are there no cases in which a bank of circulation, with an issue fixed by the Act of 1844, is existing in the same district or the same town with a bank of deposit?—I will not undertake to answer positively, but I believe there is not a single case where there is a bank of circulation and a bank merely of deposit in the same town.

1588. In Bristol there is the largest bank of circulation in the country, Stuckey and Company's bank, and there is likewise existing in the same town a large joint stock bank, the West of England, which is not a bank of circulation; is not that the case?—I think that the bank mentioned is a bank of circulation; but there is the Gloucestershire Banking Company, which is a bank of circulation.

1589. Are there not several banks in Bristol which are banks only of deposit, and not banks of issue?—I think it will be found that those are not banks exactly of the same sort as Stuckey's bank; they are rather discount houses, or banks of special character.

1590. Mr. *Glyn.*] Is not Baillie's bank at Bristol one of those which receive a consideration from the Bank of England for the withdrawal of its circulation?—I think it is.

1591. Mr. *Wilson.*] Would not the existence of a large bank of circulation in any particular town act directly as an impediment to the establishment of any other bank, that could not have the privilege of circulation?—I have no doubt of it.

1592. The monopoly given to those particular banks must act prejudicially upon the development of the banking trade?—No doubt about it.

1593. You have stated that, from your experience in the Wakefield bank, you believe

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believe that a banker has no power whatever to increase or diminish his circulation at will?—I believe that he has no power whatever in the matter, and more than that, I am sure that no sensible country banker ever imagines that he has such a power.

1594. On a former day a question was put to Mr. Weguelin, based upon the supposition, that the Bank of England should at any moment injudiciously take it into its head to issue 5,000,000 *l.* more of notes, and it was inferred that such an issue would form a temporary addition to the capital of the country; do you think that such an issue as that, either by the Bank of England, or an issue to that amount or any other amount by a country bank, is likely to affect the amount of capital in the country?—In the first place, I do not see how such an issue of 5,000,000 *l.* into the hands of the public to circulate for any length of time is to be accomplished.

1595. If it were made in the shape of advances by the discount of bills, would not the notes return the same evening?—I think it has been found in practice that they always do return the same evening.

1596. Or probably not be taken out of the bank at all?—That is a more frequent occurrence.

1597. You recollect the period of speculation from 1843 to 1846?—Yes, I do.

1598. You were then engaged in country banking at Wakefield?—I was then at Wakefield.

1599. During that period of great inflation of trade and speculation, was there any perceptible effect produced upon the circulation of notes?—None.

1600. You did not find that, notwithstanding the great speculation which peculiarly prevailed in the district of Leeds, there was the slightest tendency in the note circulation to increase?—None. All the figures are before the Committee of the circulation of the branch bank at Leeds; and if the Committee will refer to the years 1842, 1843, 1844, and 1845, they will find that there is a very small variation in the circulation of the Leeds branch bank.

1601. For the two or three years preceding the passing of the Act of 1844, you had a very limited country circulation?—Yes, previously to 1844.

1602. Did you discover any more tendency in the circulation of notes to increase at that time than you did afterwards?—No.

1603. How did that great inflation of credit and circulation act upon the bankers?—I can give the Committee a case which occurred at that time, I think in the month of April 1845. At that time the speculation in the share market was at its height, and the amount of floating capital employed in the various share markets of the country was something almost fabulous. There was probably no part of England where that furore attained a greater height than it did at Leeds, where that furore was at its maximum about April 1845. The number of sharebrokers was increased to several hundreds, and the transactions were of the most enormous character, and the inconvenience inflicted upon bankers for a short time was very serious. Very large cheques were drawn for thousands of pounds, and were presented at the counters of the various banks by indiscriminate persons. This led to a great deal of extra labour and inconvenience on the part of the bankers, and to remedy it they came to this simple understanding:—It was arranged at a conference which took place among them, that no sharebroker's cheque for more than 500*l.* should be paid except through a banker; that there should be one clearing in each week, when those several claims should be settled; and that, to prevent cheques being held longer than they ought to be, at the close of each day one clerk from each bank should go round with the sharebrokers' cheques, and that they should be marked, which marking should constitute an obligation on the part of the bank to pay the cheques when the clearing day came round. That was found to be perfectly efficacious; and so the transactions went on till the inflated state of things in the share market came to an end.

1604. That inconvenience to which the bankers were exposed was in no way connected with their note circulation?—No; it was partly an inconvenience arising from their having to keep a larger quantity of sovereigns, and a larger quantity of bank notes, and a larger quantity of the ordinary medium of exchange for the payment of those cheques.

1605. Do you think that the fluctuations which you saw as a country banker would have been precisely the same if there had been a metallic circulation, as they

they were with a mixed circulation of coin and notes?—As far as I can judge, I think precisely the same.

1606. Do you think any country banker would ever undertake a transaction for which he simply paid his notes over the counter, unless he felt that he should do the same if gold was required?—Most distinctly, not.

1607. He would feel that, in parting with his notes, he was in fact parting with gold?—Certainly. Country bank notes are never offered in payment of any such transaction. It is not the habit of the country banker to offer local notes in payment of bills of exchange discounted over the counter.

1608. In point of fact, when a country banker has once got out the quantity of notes which his portion of the trade of the district requires, he knows that all that he makes beyond that must be made from his capital?—Certainly.

1609. And therefore it would be the same to him whether gold were demanded, or his own bank notes were demanded?—Certainly.

1610. Is it not frequently an inconvenience to a country banker to have his notes required in that way?—No country banker would issue his own notes in any transaction where he had reason to suppose (and they can generally judge pretty clearly) that those notes would come back to him in the next week's clearing, because the probability would be, that if they came back to him in the next week's clearing, they would not only have to be paid in capital, that is, either in gold or Bank of England notes, but they would most likely cost him a commission.

1611. He would have to provide funds in London?—Most likely, if the exchange was against him.

1612. In consequence of which he might be charged with a commission for transacting the payment in town?—Certainly.

1613. Suppose there were ten banks of issue started in Wakefield, and that you were conducting Messrs. Leatham's bank, do you believe that all those ten banks would tend in any way to increase the issue of notes in that neighbourhood?—I do not think they would.

1614. Do you not think that their competition would rather tend to diminish it?—I think it would certainly diminish it.

1615. Their competition would tend to diminish the notes, by the constant disposition which each bank would have to recover the notes of its neighbours for the purpose of exchanging against their own?—Yes, it would not be any positive or distinct action on the part of each bank to recover the notes of the others; the thing would adjust itself by the customers of each banker taking into that bank the country currency he received in the course of his dealings.

1616. If those local banks were struggling for the business of the district, although it would not have the effect of increasing the amount of notes in circulation, would it have the effect of increasing very much the amount of capital employed, and of lowering the terms upon which capital could be obtained by traders in the district?—Certainly, those banks themselves might make the most improvident advances; they might carry on the banks so recklessly as to ruin themselves, as was done by the Northern and Central Bank; they might do that without in the least degree (to use a current phrase) deranging the circulation.

1617. When you have seen these reckless advances made in times of severe competition amongst country bankers, has it increased or decreased their liabilities on the part of their notes, or has the effect chiefly fallen upon the use of their deposits and their own capital?—Certainly, upon the use of their deposits and upon the use of their capital.

1618. Do you remember the period from 1833 to 1836?—No, I do not remember it personally.

1619. You are aware that, during that period, a very large number of joint stock banks were established?—Yes.

1620. You are aware that during that period very great speculation arose, which ended in the panic of 1837?—Yes.

1621. And you are aware that, during that period, a very sensible increase took place in the circulation of notes?—Yes.

1622. In what way did the establishment of that large number of joint stock banks assist or promote the speculation of that period?—In two ways: first, by advancing to manufacturers and others the capital they collected from their shareholders in the form of calls; and, in the second place, by re-distributing

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to manufacturers and others the capital which those banks had collected from their depositors.

1623. Allusion has been made to the failure of a large number of those banks subsequently to the crisis of 1837. When those failures took place, did it appear that they had ever succeeded in getting a very large circulation, or of what description of debts and advances did their liabilities chiefly consist?—It did not appear that those banks, even those which had been most recklessly conducted, had succeeded in getting any large amount of note circulation, as compared with the rest of their liabilities. The most notorious of those cases was the case of the Northern and Central Bank. I have not any memorandum before me containing the figures of the assets and liabilities of that bank at the time of its failure, but I believe I am not far from the truth, when I say, that the whole amount of its notes in circulation at the time of its failure was something under 10 per cent., as compared with the whole of its liabilities.

1624. That was a bank which had branches all over the midland counties and some of the northern counties?—That was a bank which had branches over the whole of the industrial counties of the north of England; and if ever there was a bank established which deserved the description of being a bank set up purely for the convenience of borrowers, that certainly was a bank of the sort.

1625. Therefore, if it had had the power, it had peculiar means of forcing out its notes into the hands of the public, in consequence of the large, and extensive and numerous advances it made throughout those districts?—It not only had peculiar means, but it had a peculiar disposition to do so.

1626. It had every possible motive which a bank can have to increase its circulation of notes?—Certainly; it was a case set up, one would almost imagine, for the express purpose of trying the principle.

1627. When it came to fail, the amount of notes was comparatively small, but the amount of reckless advances which it had made was extremely large?—Extremely large.

1628. The failure of that bank may be traced to the character of the advances which it made with the capital of its shareholders and depositors?—That is a conclusion which seems to me to be irresistible.

1629. Prior to 1819, when notes of the Bank of England were inconvertible, a very different state of things might have arisen. In that state of things, there would not be the same difficulty in increasing the amount in circulation?—At that time, the notes of a country banker were bound to be paid in the notes of the Bank of England. The moment you remove the check of convertibility, then the extent to which a paper circulation may go is a result to be determined very much by accident.

1630. *Chairman.*] Would not the power of getting an inconvertible note into circulation, depend very much upon whether it was a legal tender or not?—Certainly.

1631. Mr. *Wilson.*] Bank of England notes being a legal tender during the restriction of cash payments, there was less difficulty in getting them into circulation?—I have answered the question from an abstract point of view. There were circumstances connected with the administration of the Bank under the restriction, which we know had the effect of very much restraining the amount of notes which they had the power or the disposition to put in circulation.

1632. During your observation and experience as a country banker, could you ever discover the slightest appearance of depreciation in a convertible note? Have you ever seen any symptom or sign, for however short a period, that a Bank of England note, or a country note that was convertible, was not of the same value as the amount of gold that it represented?—Certainly not; the thing is not to be supposed.

1633. But if you have inconvertibility, as was the case prior to 1819, depreciation may take place to any extent, if the notes are forced out upon the public without representing a corresponding value?—An actual case was the assignats.

1634. Did not the thing occur also with the notes of the Bank of England, which for many years were at a depreciation as compared with the amount of gold bullion which they affected to represent?—No doubt, to whatever extent the bank note was of less exchangeable value than the gold bullion which it affected to represent, to that extent it must be admitted that the bank note was depreciated.

1635. On the former day you expressed an opinion that bankers could not even

even during that period force out their notes. You do not hold the opinion that bank notes can have no effect upon prices?—Certainly not.

1636. You would not say that the large advances of capital that were made by the Bank during that time might not have had an effect upon prices?—The amount of capital introduced into the dealings in various commodities would constitute, *pro tanto*, so many additions to the demand. Other things remaining the same, the demand increasing, no doubt that demand would increase the prices; but that would be something which would happen as a totally and separate, and distinct matter, having no connexion whatever with any variation in the amount of either Bank of England notes or local bank notes.

1637. Higher prices might be induced by the reckless and easy advance of capital producing speculation?—For a time, perhaps, in certain states of the markets.

1638. Therefore, although no effect could be produced upon prices by the ordinary action of notes upon the market, that effect might be produced by reckless advances of capital?—It might, for a time.

1639. And you do not doubt that the establishment of that great number of banks who were competing to obtain business, and offering every inducement to the public by lowering their terms, would tend to promote the speculative mania which occurred between 1834 and 1837?—No doubt about it; that was one principal reason. It was the old case of a country carrying on a brisk trade for a short time, by the stale device of consuming its capital. The capital of certain classes of the community was being wasted and thrown away in reckless speculation, which did not turn out to be sound or profitable.

1640. Therefore, as far as regards the effects upon prices produced by those competing banks, it would make very little difference whether they were banks of issue or banks of non-issue?—No difference whatever.

1641. Banks of non-issue established during that period had the same tendency to produce the speculation which occurred as those which issued notes?—Quite.

1642. Has not it been frequently the case, that when those speculative periods have arisen, London has been very generally the beginning of them, and the chief seat of them during their duration?—It has generally been so.

1643. Is it within your knowledge that in 1825 it was peculiarly so?—I am glad to say that I do not recollect 1825; but I believe it was so pre-eminently at that time.

1644. Did not the failures amongst the banks begin with the London banks of deposit?—I believe the first bank that failed in December 1825 was the London house of the Yorkshire bank of Wentworth and Company.

1645. The speculations of that year, consisting chiefly of foreign mines and foreign stocks, and a variety of things of that kind, naturally belonged more to the London market than to the local country markets?—Yes. The speculation of 1825 was very much confined to the London market, and to those descriptions of enterprise.

1646. Being promoted chiefly by the ease with which the London bankers afforded facilities by advances to the public?—I imagine that that was so, if one may judge by the number of London bankers who failed in consequence of the non-realisation of expectations.

1647. In your experience as a banker at Wakefield, could you discover any difference between your liability upon deposits and upon your circulation of notes?—Practically none.

1648. You were as much bound to keep a reserve for the one as for the other?—The circulation and the deposits constituted parts of a whole. As a matter of statement of account, of course they were kept distinct; but as regarded generally the operations of the bank, the bank had to keep, according to its experience, that amount of immediately available assets which it had found necessary.

1649. Of the two, which were the most varying in amount, the circulation or the deposits?—The deposits.

1650. The circulation was more equable?—With respect to the circulation, I need hardly tell the Committee that the country circulation observes a peculiar cycle. We have now returns for the last 20 years of the country circulation, and I think in every one of those years it has observed a peculiar cycle. It is high in one month, and it is low in another month, and in a certain other month occurs a medium point. That occurs year by year.

1651. Those are cycles which are regulated by peculiarities of trade, or of the

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the seasons, such as the harvest, and a variety of other things which uniformly create a greater demand for money at one particular period than at another?—Certainly; it is only to be explained in that way. It is not supposable that there should be a conspiracy on the part of the country bankers to produce those changes in the circulation.

1652. Supposing there were such a conspiracy, could they effect it?—I very much doubt it.

1653. Then if the deposits are the most fluctuating part of their liabilities, it would be even more necessary to maintain a reserve against them than against the circulation?—Yes, it would on that ground. In ordinary quiet times the variations either of the deposits or of the circulation are not of an extreme character. In ordinary quiet times both are uniform.

1654. Do you know of any difference, or any reason, with respect to the Bank of England as compared with other banks, on account of which there should be any distinction observed between the circulation of notes and the deposits?—None; I can discover no reason.

1655. You consider that a reserve should be held by the Bank as much against the one as against the other?—Certainly.

1656. Any reserve which the Bank held, in spite of its own internal arrangements, would be applicable to both alike?—Yes; certainly.

1657. Both being liabilities payable on demand?—Both being liabilities payable on demand.

1658. As the Bank of England is unable to pay its own notes as a legal tender, bullion is the only reserve which it can hold as against either its circulation or its deposits?—Clearly.

1659. And therefore the Bank of England ought to hold a sufficient amount of reserve as against its general liabilities composed of notes and deposits as a whole?—Certainly; the Bank being bound to hold an adequate reserve on pain of failure.

1660. You stated on the former day that you are not favourable either to any legislative limit to the circulation, or to any legislative interference with regard to the reserve to be held against any of the liabilities of the Bank?—No; I see no reason for any legislative interference.

1661. You object to anything that shall seem to imply that it is not equally an obligation upon the Bank, under all circumstances and at all times, to maintain, at any cost, a sufficient reserve to secure its liabilities of all descriptions?—I am answering every one of these questions upon the full understanding that I know nothing at all about inconvertible notes. I begin by assuming in my own mind, that I am distinctly and strongly in favour of the principle of 1819; that is, that all the obligations of the Bank of England, and of all other banks, should be payable in sterling coin of the realm upon demand.

1662. You not only maintain that the notes ought to be by law convertible, and that the deposits, of course, are, by agreement and by common law, payable on demand, but you also hold that it is incumbent upon the Bank of England, irrespective of any legislative enforcement or limit, to maintain, at all times, such a reserve of bullion as will secure its ability to pay its obligations on demand?—That is a matter of prudence on the part of the Bank.

1663. Therefore when you say that you are not in favour of a legislative limit, you do not intend by that to say that you wish to relieve the Bank from the responsibility of holding a sufficient reserve to ensure the convertibility of its notes and the payment of its deposits?—Not at all.

1664. You consider it an undoubted and a primary duty on the part of the Bank to see that at all times and in all circumstances it does maintain such a reserve?—That is the first duty of the Bank, to provide for the satisfaction of all its various obligations; the making a profit by its business is a secondary consideration.

1665. But you think, if I rightly understand your evidence, that to leave the Bank to exercise a sound discretion, having before them the consequences of not keeping such a reserve, would be a better rule than a mere legislative limit?—Yes.

1666. The legislative limit must necessarily be an inflexible rule which would apply to all times alike under the same state of accounts?—It has never been found that you can supply mankind with prudence and discretion by Act of Parliament.

1667. Is

1667. Is it not the fact that the conduct of the Bank with regard to its reserve, as against its deposits and circulation, ought to be very different under different states of circumstances; such, for example, as different states of the exchanges. Supposing, for example, the Bank to have its liabilities and its reserve in a particular form, the Bank would have a very different course to pursue according to whether the exchange had turned and become in favour of the country and its reserve was every day becoming strengthened, or whether, on the contrary, in the same state of the accounts, the adverse exchange was still proceeding, and the drain upon its reserve was still going on?—It appears to me that the skill of a banker consists in adapting himself to the circumstances he finds around him. A banker can no more follow the same rigid and invariable rule as regards his business, than a man can follow the same rigid and invariable rule as regards his appetite. A banker must adapt himself to the state of things which he finds around him, and his skill consists in that.

1668. Therefore by legislation to lay down strict rules for his guidance is to place him under great disadvantage at particular times?—Certainly.

1669. The course so prescribed may not be safe at one time, and it may be more than safe at another time?—Certainly.

1670. With regard to the liabilities of a banker, do you see any difference between the character of his liability upon deposits and the character of his liability upon circulation, which should vary the rule by which he should be guided in providing for each of them?—I see no difference whatever.

1671. You think that every rule that applies to the deposits equally applies to the circulation of notes?—Yes.

1672. Both being obligations payable on demand in the same material; that is, in gold?—Yes; as regards the Bank of England I will go still further, and say that the element of its liabilities which requires most careful watching, and which requires the most ample safeguard, is not the circulation, but is the deposits.

1673. Because the deposits are more fluctuating?—They are more fluctuating.

1674. Is it not the fact that the Bank of France is an establishment in its chief character similar to the Bank of England, and doing the same business, receiving deposits and issuing notes?—Yes; it is very similar.

1675. There is no legislative limit either to the reserve it holds or to the amount of notes which it issues?—No, there is not.

1676. Does not the experience of the Bank of France show that the obligation which it feels to preserve a sufficient reserve against its liabilities, is as great as that which is imposed upon the Bank of England by legislative enactment?—Yes; we have seen very strong proofs of that lately.

1677. You have seen the Bank of France in the face of a declining reserve, at a very great sacrifice of its own funds, make efforts to sustain that reserve?—It has.

1678. It is part of the business of a banker to sacrifice a portion of his profit at certain times, in order to maintain his reserve if it becomes necessary?—No bank, I believe, ever carries on business for any considerable period without being often compelled to do that.

1679. Do you see any practical difference in the security afforded by the regulations under which the Bank of France is practically conducted, and those under which the Bank of England is now conducted with reference to the public?—I see none.

1680. Of course, in consequence of the publication of the accounts of the Bank of England being weekly, the public have an opportunity of judging for themselves as to the position in which it stands?—Yes.

1681. With regard to the form of the accounts of the Bank of England, under the Act of 1844, do you consider that that is a form which expresses in an intelligible manner to the public the state of its liabilities and assets?—The form of the account is determined by the separation of the two departments under the provisions of the Act; supposing that those two departments are to be kept as entirely distinct as the Act of 1844 requires them to be, and supposing that some form of account must be adopted which shall show that separation in some way, that is done by this form of account, but I cannot say that I am an admirer of the form of the weekly account.

1682. Are you aware whether the Bank of England keeps its account in the same form in which it was kept before the passing of the Act of 1844?—It has been so stated.

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1683. Supposing you were to change the form, and to enter simply on the one side the assets, and on the other the liabilities, instead of the form which is prescribed by the Act, that could be done without effecting any real change in the position of the Bank itself, as to its liabilities or as to its mode of doing business?—The whole thing is a pure matter of figures. In filling in the paper you may put figures in any form you please, but the facts are not in the least degree changed, whatever form you adopt; on the one hand the Bank has certain liabilities, on the other it has certain assets. It may be a very nice casuistical question how you will set that out, but no mode of setting it out can in the least degree alter the facts; no style that any ingenuity can devise of exhibiting the figures can diminish by one farthing the liabilities on the one hand, or increase by one farthing the assets on the other.

1684. Supposing a person thoroughly to understand as well as you do what the form of the Bank account, as it is now given to the public, means, he can very easily make a computation by putting the precise amount of liabilities on the one side and of the assets on the other; but would that be so with the public at large, who are not supposed to understand these things?—I am afraid not. Without claiming any particular extent of knowledge for myself, I am afraid the public do not make that computation.

1685. Do you consider that the amount of notes issued from the issue department to the banking department are a liability on the part of the Bank of England?—They are clearly not a liability on the part of the Bank of England; the only liability on the part of the Bank of England, both as regards fact, and as regards the law, is for those notes which have gone beyond the walls of the establishment, and are in the hands of the public; a banker is not liable upon notes which he has not issued.

1686. Then as far as regards that part of the account, that liability is what may be called a fiction?—It is very much like it.

1687. With regard to the banking department, the reserve being stated in notes, those notes merely represent the portion of bullion in the issue department?—Precisely. They are mere vouchers for so much bullion, which for the sake of convenience is kept somewhere else.

1688. Do you believe that the mode in which the bank accounts are now kept is apt to encourage an opinion which is ascribed to what is called the Birmingham School, who attach an undue importance to the functions of notes?—I think it does. I have heard very sensible people within the last few days make observations strongly indicating that some idea of that kind was lurking in their minds.

1689. You think the whole tendency of the Act of 1844, by attributing so much importance to notes, which you do not think they deserve, is to favour a notion which is held by many persons, that it would be in the power of the Bank of England, by the issue of notes, to relieve the money market at times when there is a pressure?—I think it is a very common opinion. I have heard it within the last few days, that all the difficulties would be got over if the Bank of England would increase the quantity of notes in the issue department, and make use of them.

1690. Suppose they were to increase the quantity of notes by tenfold, do you think they could make use of one more?—Not as regards the public on the outside.

1691. But, except as regards the public on the outside, there could be no relief given?—It would be no relief. The Bank of England could not give any relief to the public at the present moment. For example, when the rate of discount is 6 per cent., if the Bank of England made up its mind to get rid of the whole of its reserve, it might go on making advances at a lower rate, till the whole of its bullion reserve was drawn away; but that would be purely temporary; the Bank of England could not go on for any length of time making capital unduly or unnaturally cheap.

1692. The relief so obtained would be by the abstraction of its bullion, not by the issue of its notes?—Yes.

1693. Could the Bank of England issue one note more than the circulation now requires?—I do not think it could; in fact I am sure it could not.

1694. Then such an action on the part of the Bank, if it were to reduce its rate of interest to one-half the market price, would simply resolve itself into an abstraction.

abstraction of the capital of the Bank as represented by its bullion, but would not increase the circulation of its notes?—Precisely.

1695. Do you think that the delusion which the public are under would be mitigated if the Bank accounts were really presented to the public in the form which they substantially possess, as liabilities and assets?—Yes, I think it would.

1696. That is, if all the variations in the Bank assets were exhibited, as they really are, as variations in the bullion, and not variations in the notes?—Certainly.

1697. In all the variations in the reserve of the Bank, as indicated by the notes, when the reserve is rising it is not in consequence of the contraction of circulation in the hands of the public, nor when it is falling is it in consequence of the extension of its circulation, but it is simply the effect of the abstraction of bullion, which in the issue department represents these notes?—Yes.

1698. In the present form of the account, that increase or decrease of the reserve, as represented by the notes, produces upon the public mind a wrong impression?—Yes, I think it does. I think that is one of the inconveniences arising from the present system.

1699. With regard to the rule which should regulate the Bank in its rate of interest, and the terms of its advances, you said that much would depend upon the character of the drain in times of pressure as to the course it ought to take?—Yes.

1700. In case of an internal demand for gold caused by discredit, you think that the Bank of England may allow its reserve to run lower than it would safely do if it were a foreign demand?—Yes, considerably lower. The two cases have hardly a quality in common.

1701. Would that be because in that case you would expect a more certain and quick return of gold to the vaults of the Bank?—Yes.

1702. Would not the nature of the foreign demand very materially alter the course which the Bank ought to take; suppose, in the one case, that a drain for bullion abroad arises from a demand for gold on the Continent as a commodity which must be purchased here and made a profitable operation, according to the price at which it can be sent over; or suppose, in another case, that a drain arises to satisfy a foreign debt due by this country in the case of a bad harvest, or any event of that kind, upon which we are largely indebted to foreign countries, those two cases would be very different in their effect upon the Bank of England, would they not?—The two cases of foreign drain which the question seems to contemplate, appear to resolve themselves into this: you may have a drain of bullion from this country, either on purely mercantile grounds, that is, where the imports have exceeded the exports; or you may have a drain of bullion in order to provide the means of investing English capital in some foreign enterprise; or in a third case (which is essentially the same as the last), you may have a drain of bullion from this country for the purpose of carrying on a foreign expenditure, as was the case in 1854-5. I think it will be found that into those three categories all foreign drains of bullion resolve themselves. Now one important circumstance connected with the drains of bullion which occurred between 1836 and 1844 was, that in nearly every case they were drains of bullion arising out of very large importations of corn into this country in consequence of the failure of our harvests:—and importations of foreign corn, the effects of which were interfered with and crossed and modified, and very much aggravated by the operation of the old corn law and by the existence of the sliding scale at that time. It happened that the drain of bullion was not only large in amount, but it was also sudden and irregular, and uncertain in its character. That was the state of the facts prior to 1844. Since 1844 the largest drain of bullion that has occurred in consequence of the excess of imports over exports was in 1847. There was also a drain of bullion in 1854 and 1855, in consequence of the Commissariat expenditure in the Crimea; and there is a drain of bullion now from this country to the East, in consequence of the investment of English capital in Indian railways, and for other reasons.

1703. But taking the case of 1847, when the drain arose in consequence of the bad harvest in 1846, and the high prices of corn, that drain being the consequence of an occurrence which it was of the first importance to the country to meet, the controlling of it was comparatively a secondary object; and the primary object, that of obtaining a supply of food, was one of such importance to the country, that it could not under any circumstances be controlled by any

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act which the Bank might take to check the drain?—No; rather than allow the population to starve, you must cast away all secondary considerations; you must if necessary take extreme measures; the first consideration, of course, is self preservation.

1704. But with regard to the drain which has taken place lately from France and other parts of the Continent to supply their reserves and circulation, that is, as far as the Bank of England is concerned, a drain more easy to control?—It is merely an exchange of one kind of metal for another; we send them gold, and they send us silver; that is wholly a mercantile operation, as much as an exchange of our cotton manufactured goods against their Cognac.

1705. If the Bank of France finds its reserve is getting low, it may obtain a supply of bullion without an exchange of commodities at all, by realising securities in the English market, and obtaining bullion for them?—The Bank of France can only obtain bullion by the exchange of something else; if the Bank of France is determined to extract bullion from this country at a time when there is no debt due from this country to France, they can only do it in one of two ways; one is for a short time, by buying up, as they did two years ago, all the floating obligations which had been drawn upon this country, that is, by buying up at Paris and Antwerp, and other cities, bills of exchange falling due upon England, and sending those bills here for discount, the proceeds of which are sent in gold to Paris; but that is a process which soon comes to an end, because this country cannot be called upon to pay its obligations more than once; when that process is at an end, that is supposing there is no real mercantile debt due from England to France, the next process would be for the Bank of France to sell in London French securities, and carry over the proceeds of those securities to France in gold; that I imagine would be a still more limited operation.

1706. The first process would be simply anticipating the liabilities of England to the Continent, by purchasing bills and sending them over before they came due?—Certainly.

1707. Is not there always a large amount of English securities held by continental bankers?—I should doubt that.

1708. Do you doubt the fact that a large amount of consols are held by London bankers on account of continental houses?—I doubt it very much.

1709. To whatever extent they hold those securities, they could be realised and turned into bullion, and that bullion be sent abroad?—Yes; if the owners of the securities are prepared to sell them at any price.

1710. It would be a question of calculation of the profit they could make upon the gold, and the loss they would incur upon the securities?—That, I imagine, would be a very short calculation.

1711. Has not it been recently the case, that the demand of the Bank of France has been partly satisfied by London houses having connexions in Paris obtaining advances for a period upon consols here, and then investing those advances in gold to be transmitted to Paris; is not that one mode in which the object may be accomplished?—Yes, I dare say that may have been one mode. I have no doubt, looking at the magnitude of the purchases of gold for the Bank of France during the last two years, that every conceivable mode has been resorted to.

1712. All those means can only be of a temporary effect, but they may answer the purpose of the Bank of France for the time being until the exchange turns in its favour?—It is the old story of trying to fill a sieve with water; if you stop up one hole you may depend upon it the water will go out at the next.

1713. That is, provided the Bank of France has imported the bullion upon credit?—We know by the magnitude of the purchases of the Bank of France that they must have been so. They amount to something like 70,000,000 *l.* or 80,000,000 *l.*, or 100,000,000 *l.* during the last two or three years, and their reserve is lower now than when it started.

1714. During that period the reserve of gold, both in London and in Paris, has been considerably lower than it was three or four years before?—Yes, lower than it was in 1852 and 1853.

1715. And 1854?—And 1854, probably.

1716. You stated on the former day that you do not attribute the larger reserve of bullion now held by the Bank of England to the operation of the Act of 1844. Have you got before you the amount of the bullion held by the Bank in

in 1843?—Yes; the average amount of bullion held by the Bank in 1843 appears to have been 11,700,000 *l.*

1717. Does it not appear that it began to increase at the end of 1842, having been rather low two or three months previously?—Yes.

1718. For the whole of 1843 it was between 11,000,000 *l.* and 12,000,000 *l.*?—Yes.

1719. Up to September 1844, when the Bank Act came into operation, it was about the same amount?—It was 15,000,000 *l.* in September 1844.

1720. That was caused by the increased production of the Russian gold mines?—Yes.

1721. And immediately after that the gold discoveries in California and Australia took place, which led to the large amount of bullion in 1852 and 1853?—The discoveries in California took place in the autumn of 1848.

1722. But it was not till 1850 and 1851 that any large amount was imported into this country?—You will find that the reserve of the Bank began to increase gradually after the close of 1848. The average amount of treasure in the Bank in 1848 was 13,760,000 *l.*; then it increased to 15,160,000 *l.* in 1849; and it became 16,600,000 *l.* in 1850.

1723. Taking the state of the bullion in the Bank of England from the end of 1842 up to 1848, when you state that the Californian and Australian gold first began to come in, do not you find the amount very uniform during the whole of that period?—Yes.

1724. Varying from about 10,000,000 *l.* to 13,000,000 *l.*?—Yes.

1725. Therefore it would appear that circumstances already existed prior to the passing of the Act which caused so large an amount of bullion to be in the Bank of England?—In point of fact the amount of bullion in the Bank of England when the Act of 1844 came into operation, I think will be found to have been higher than it was at any date between September 1844 and the close of 1847.

1726. Is not it the fact that during the last two years, 1855 and 1856, and down to the present time, the amount of bullion in the Bank has not been quite so large as it was in the year 1843, prior to the passing of the Act?—The facts are shortly these: that forming a rough average from this mass of figures, the average amount of bullion in the Bank of England in 1843, seems to have been 11,500,000 *l.*; the average amount of bullion in the Bank of England in the year 1844, seems to have been about 15,500,000 *l.*; the average amount of bullion in the year 1855 seems to have been 16,000,000 *l.*; and the average amount of bullion in 1856 appears to have been about 11,500,000 *l.* Therefore in 1855 the amount of bullion was considerably higher than it was in the year 1843. The amount of bullion in the year 1844 was considerably higher (the year 1844 being the year before the Act came into operation) than it has been in the year 1856.

1727. You stated in your former examination, that you thought the quantity of gold in circulation had been somewhat understated, and you expressed an opinion that the present amount of gold in circulation was equal to 70,000,000 *l.* Is the gold in the country circulation very much supplied by the branch banks of England?—Yes; I think very much.

1728. Where there are branch banks of the Bank of England?—Yes.

1729. But in other districts of course they must obtain it direct from London?—Yes.

1730. Have you seen a Return which has been laid before the Committee (No. 22) of the amount of gold which has been sent to the branches of the Bank of England for five years past, and the amount which has been received from the branches in the same years?—I have not seen the Return.

Vide Appendix, No. 31, p. 289.

1731. Do you suppose that the difference between those two branches of the Return would show, so far as the supply has been furnished through the medium of the branches of the Bank of England, the quantity that had remained in circulation?—I should not like to give any *à priori* opinion as to what form I should expect the figures to be in; I would rather see the figures first.

1732. Taking the six years from 1850 to 1855 inclusive, it appears that the amount of gold sent to the branches during that period was 17,580,000 *l.*, and that the amount received back has been 631,000 *l.*, leaving a balance of nearly 17,000,000 *l.*; do you suppose it to be a fair inference, that that amount of gold is retained in circulation in the country?—It would seem to be so, as far as the

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direct transmissions of gold to the branches are concerned, but there would be a continual influx and reflux of gold coin going on as regards each branch; that, no doubt, would be one element to be taken into the account.

1733. But those figures represent the amount actually sent to the branches, and the amount actually received from the branches?—But beyond that, there would still be an influx or reflux as regards each branch, and as regards all the branches combined.

1734. But that would not affect the quantity left in the provinces, either in the use of bankers or in the use of the public. The difference between those two amounts would show what had been left in the country as the increase in the circulation of coin?—But the coin which the public had obtained from the branches might have found its way to London by other modes; it might have been remitted in other forms to some extent, therefore those figures relating to the branches, though they are exceedingly valuable, are only one element of that account.

1735. On the other hand, where there are no branches the additional quantity of coin required would be obtained by the bankers direct from London?—Very likely.

1736. Therefore those figures would not represent the whole?—No, that is only a portion of the case.

1737. It would appear that the whole circulation of notes has not increased at all of late years, while the circulation of coin has increased very greatly?—So it would seem.

1738. Is not that a natural consequence of the denominations of the note and the purposes to which notes are applied, as compared with the denominations of coin, and the purposes to which coin is applied?—I think it is; the smallest notes in circulation being notes of 5 *l.*, and those being notes which do not enter of course into the transactions or dealings of the great mass of the population who receive wages, it does not follow *à priori*, and we find that it does not follow as a matter of fact, that you have any large increase in the quantity of 5 *l.* notes, simply because you had a great increase in the demand for labour. But it has followed as a fact, and it seems to be consistent with *à priori* expectation, that there has been a very great increase in the quantity of metallic money required in consequence of the more extensive employment of the population.

1739. You stated that an increase of circulation of notes ought to be regarded more as an effect than as a cause of increased trade?—I am quite sure it is not a cause of increased trade.

1740. But it would be a natural effect of increased trade?—Yes.

1741. The increase of trade requiring a larger amount of circulation would be chiefly felt in the payment of wages and other small payments which are not conducted through the larger modes of credit, such as bankers' cheques and transfers of credit of other kinds; and those payments would chiefly resolve themselves into the smaller denominations of circulation?—I think they would; we have the strong and pregnant fact before us that in the space of 20 years the aggregate amount of the paper circulation of the United Kingdom has not increased at all. I will give the exact figures. The aggregate amount of the circulation of bank notes of all kinds in the United Kingdom in 1834, including Bank of England notes and joint stock bank notes, and private bank notes, was 37,500,000 *l.* In 1855 the same aggregate average was 39,000,000 *l.*; that is a very small proportionate difference. During those 20 years we know that the trade of the country has expanded most wonderfully in all directions; and we know that the population has increased something like 30 or 35 per cent. Therefore I can only account for the stationary character of the circulation, by supposing that the extension of banking facilities and the introduction of banking facilities where they did not exist before, and the introduction of better modes of communication, and the introduction of the penny postage, and the introduction of the telegraph, and the introduction of railways, have so economised the necessity for circulating medium, that we can now carry on about five or six times the amount of trade transactions which were carried on in 1834, and still require no larger quantity of bank note circulation.

1742. You have stated the aggregate amount of bank note circulation in 1834 and the aggregate amount in 1854; will you state the aggregate amount in 1844 at the time the Bank Act passed?—The aggregate amount in 1844 was 38,340,000 *l.* That was the aggregate average of the whole year.

1743. Therefore

1743. Therefore there has been no perceptible change since the passing of the Act of 1844, with regard to the limitation of the circulation of notes?—No.

1744. No perceptible increase had taken place in the ten years prior to the Act, and no perceptible increase has taken place since the passing of the Act?—Exactly.

1745. Therefore you think the uniformity of the circulation cannot be attributed to any limit placed by the Act of 1844?—Not in the remotest degree.

1746. Would not the issues of notes be as likely to increase by the increase of trade as the smaller denominations of circulation?—It would be so, taking the denominations of coin and paper.

1747. May not that account for the fact, that in Scotland and Ireland, where the smaller denomination of circulation consists of paper, the circulation has increased by about 31 per cent., while the circulation of notes in England has remained stationary?—Yes; that seems to be a natural explanation.

1748. You stated on a former day that the object of the paper circulation was to effect economy of capital, subject to rules which should make it perfectly secure by securing the convertibility of the paper?—Yes.

1749. The paper circulation of notes of 5*l.* and upwards is, you say, about 39,000,000*l.*?—£. 39,000,000, including Scotland and Ireland. That 39,000,000*l.* includes the 1*l.* notes. The entire circulation of bank notes in the United Kingdom is in round figures, 39,000,000*l.*

1750. The circulation of gold in that portion of the United Kingdom where 1*l.* notes do not circulate is 70,000,000*l.*?—So it appears.

1751. Therefore upon the portion of the circulation upon which there is the largest room for economy that principle has not been applied, while to the smaller portion of the circulation, where the room for economy is less, it is applied?—Yes.

1752. *Chairman.*] Can you state the comparative amounts of the note circulation in Scotland and Ireland in the year 1844, and at the present time?—I can give you the average circulation of bank notes in Scotland. The average circulation in 1834 was 3,120,000*l.*; in 1844 it was 3,020,000*l.*; and in 1854 it had increased to 4,050,000*l.*, bearing out therefore the statement made in the preceding question.

1753. Will you refer to Paper 40 before the Committee, which you will see contains an account of the aggregate circulation of Scotland and Ireland. In the first line of that paper you see that on the 13th of December 1845, the total paper circulation of Scotland was 3,469,000*l.*; and on the 9th of May 1857 it was 4,080,000*l.*?—Yes. *Vide* Appendix, No. 18, p. 204.

1754. Therefore it has increased about 600,000*l.*?—Yes.

1755. Now will you refer to Ireland. On the 13th of December 1845, the total paper circulation of Ireland was 7,554,000*l.*, and on the 9th of May 1857 it was 7,164,000*l.*?—Yes.

1756. Therefore the paper circulation of Ireland has fallen about 400,000*l.* since December 1845?—Yes; but then there has been the famine; if you look in the famine years, you will find that the circulation of Ireland got down to 4,000,000*l.*

1757. If you compare the notes under 5*l.*, you see that in December 1845 they were 4,497,000*l.*, and on May the 9th, 1857, they were 3,642,000*l.*; therefore, showing a great diminution in the 1*l.* notes?—Yes.

1758. Then if you look at the year 1850, you will find that the notes under 5*l.* were on the 27th of July 1,928,000*l.*, about one-third what they were in 1845; you will find also on the same date, the 27th of July 1850, that the aggregate circulation in Ireland stood at 4,034,000*l.*, about 50 per cent. less than it was 1845, and about 47 per cent. less than it was in 1847?—Yes.

1759. Mr. *Wilson.*] It sunk from 1845 to 1851, and the lowest amount was 3,900,000*l.*?—Yes.

1760. Since that time it seems to have been gradually rising until it has nearly reached the amount it was before the famine?—Yes; the famine so entirely interfered with the Irish circulation that that period must be left out of the account in any discussion on the general question as regards the last 12 years.

1761. You know of no reason why the Scotch and Irish banks should be interfered with in their 1*l.* note circulation?—Not at all.

1762. But you hold a strong opinion that the same principle should not be

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extended to England?—As regards 1*l.* notes, I think we ought to have no 1*l.* notes here.

1763. Is that because people have a prejudice against them, or because you think they would not effect the same objects they do in Scotland and Ireland?—I think sovereigns are certainly a better medium of circulation than 1*l.* notes; in Scotland and Ireland, where they have had 1*l.* notes a long time, the people of those countries have a very strong opinion in favour of their retention; in this country we have happily got rid of them, and the introduction of 1*l.* notes would be a novelty; and I think there is no adequate reason why we should disturb the present state of things.

1764. Is it not the fact that the Scotch and Irish bankers derive a large profit from their circulation; and therefore, according to the principle which you so well expressed, the public also, through the banks, derive a great benefit by the economy which they obtain in the use of their 1*l.* notes to a safe extent?—Yes; but I endeavoured to explain that there is a marked difference in the character of the banks in Scotland and Ireland as compared with those of this country. In Scotland and Ireland the circulation is in the hands of very large and wealthy and ancient banks, having extensive ramifications through the whole country, which is not the case in this country. There are considerations of general policy affecting this question beyond the mere question of profit. If it was a mere question of profit; if the only object was to obtain out of the paper circulation as much profit as could possibly be extracted out of it, then of course the most profitable thing would be to have 1*l.* notes in England and Wales.

1765. As much profit as can be extracted out of it, with full security for the convertibility of the paper, and for its performing all the functions for which a circulation is required?—Yes.

1766. The question being so defined, is there any reason why the security which exists in Scotland and Ireland would not equally apply in England?—Yes; I think that there are reasons.

1767. Are you not aware that some of the largest Scotch banks, and banks which have the largest circulation, are banks which are of a comparatively recent origin, having been established within the last 20 years, such as the Union Bank of Scotland, the Western Bank, and the Clydesdale Banking Company, and some others?—Yes; that may be true.

1768. And no inconvenience has been found from their possessing the privilege of issuing those notes?—Not in Scotland.

1769. Do you share the opinion which some persons entertain, that the mere fact of having an extensive circulation of gold for the smaller denominations of payment, acts in any way as a security in case of a drain of bullion?—A drain of bullion in this country always falls in the first instance almost wholly upon the central reserve, the Bank of England. I do not think the mere existence of a metallic circulation in the different parts of the country can be maintained to any great extent, merely on the ground of its being a reserve, in case of an ordinary foreign drain; but it appears to me that the considerations in favour of maintaining a large metallic circulation as a medium, in which all transactions relating to the working classes are carried on, are of great importance, and I should be very sorry to see it disturbed.

1770. But you know no reason for stating that these particular transactions of banking are more imperfectly conducted in Scotland, in Glasgow, for instance, a large manufacturing district, than they are in Manchester, where there is a gold circulation?—I prefer the mode of payment in Manchester to the mode of payment in Glasgow.

1771. As a matter of preference?—As a matter of preference; and I think the circumstances of the two countries are not the same. It is very true that you have in Scotland, on the banks of the Clyde, a very large active manufacturing population, but that is one case in the course of the whole country; whereas in this country we have a succession of such masses of population.

1772. Is there not in Scotland a large mining district in Ayrshire, and a large manufacturing district in and around Glasgow, and another mining district in Falkirk, and another large manufacturing district in Dundee and Montrose and Arbroath; in fact, a succession of masses of manufacturing population, the same as you have in England?—You have considerable seats of manufactures, but not such a succession of seats of manufactures as you have in this country. Besides, there is tradition connected with it. There is something in a Scotchman's

man's nature which makes him like 1 *l.* notes; he does not grumble at a 1 *l.* note. The dirtier the note is the better he likes it. But that is not the case in England; we have not got the tradition, and the 1 *l.* note is one of the many advantages which Scotland has inherited.

1773. Then you admit that it is one of the advantages that Scotland has inherited?—No doubt if you have a 1 *l.* note circulation perfectly secure, and perfectly free from panic and discredit, it is a cheaper and therefore a better mode of circulation.

1774. Then there is no reason in point of principle why, if the circulation of notes of 5 *l.* and upwards is valuable to a country by economising its capital, then in point of principle the same advantage should not be extended to 1 *l.* notes?—I should think the circulation of Utopia whenever that state of things takes place would be in 1 *l.* notes.

1775. Sir *Francis Baring.*] Why stop at 1 *l.*?—Mr. Wilson would go on and say, why stop at 1 *s.*?

1776. Mr. *Wilson.*] Has it not been found from experience in Scotland and other countries that 1 *l.* is about the lowest limit to which you can advantageously go in conducting a paper circulation?—I have seen an Austrian note for 1 $\frac{3}{4}$ *d.*

1777. *Chairman.*] Are there not dollar notes in Prussia?—I believe there are.

1778. Mr. *Wilson.*] Are you aware that nearly the whole circulation of Prussia is conducted by thaler notes?—Yes; I believe the appetite for paper is something which goes on increasing.

1779. You do not discover any injury that is done to Scotland and Ireland by its having been increased to the extent to which it has been in those countries?—No; Scotland and Ireland are so far exceptions to the ordinary vices of 1 *l.* notes.

1780. You are aware that the Scotch banks have very numerous branches?—Yes.

1781. And those notes are received equally all over the country without discrimination?—I do not know that. I have been in Scotland, and I did not find that it was the same thing whether you had an Edinburgh note in a northern town or whether you had a note issued by a banker in that northern town. I do not think the perfection amounts quite to that.

1782. You are aware that there are only 17 banks in Scotland, and that the great bulk of those, almost the whole of them, are Edinburgh and Glasgow banks?—Yes; they have branches.

1783. Those banks have no less than 603 branches at the present moment?—Yes.

1784. And the notes issued originally from Glasgow and Edinburgh are dealt in by all those branches; so that the whole circulation of the country is conducted by notes issued at Glasgow and Edinburgh, but administered through these various branches?—I do not know the exact *modus operandi* of carrying it on. I do not know whether the notes are not issued locally by the branches and bear the signature of the branch manager, or whether all the notes bear the signature of a person in Edinburgh.

1785. You are not informed that the whole of the notes in Scotland are, in point of fact, issued from the head establishment, and that the branches issue no notes at all?—It may be so; I have no doubt it is so, if you so describe it.

1786. On a former day you stated, with reference to the demand for silver for the East, that you believed that the exchanges with India were in favour of this country, notwithstanding the large amount of bullion that is continually transmitted to the East; have you any ground for supposing the exchanges to be in favour of this country?—Yes, I have. I will give the Committee some of the facts. I find that the real value of the exports from the United Kingdom to India in 1851 was 7,420,000 *l.*; to that is to be added the amount of India House drafts, that is, the funds drawn from India by the East India Company for the purpose of their own expenditure. Those drafts in that year amounted to 3,200,000 *l.*, making, therefore, the total export from the United Kingdom to India 10,620,000 *l.* In 1855, which is the latest year for which the Returns are accessible, the declared value of the export of goods from the United Kingdom had risen to 10,350,000 *l.*, and the India House drafts were 3,700,000 *l.*, making, therefore, the total export from this country 14,050,000 *l.* Now as regards 1851, I believe

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I believe there are no means of stating what was the real value of the import of goods from India to this country, but in 1854 and 1855 we have a statement of the real value; in 1855 the total real value of the imports of goods from India to this country was 12,670,000 *l.*, and that sum, compared with the 14,050,000 *l.* I have mentioned, left a balance in favour of the United Kingdom, as regards the direct trade between the two countries, of 1,380,000 *l.*

1787. But the exchanges are affected also by the indirect trade; as, for example, supposing a very large supply of goods has taken place of late years from India to Australia and from India to North America, those payments have to be effected by means of drafts upon London, which would have the same effect upon the exchanges as if the goods came direct from India to England?—No doubt the only sound and rational mode of judging of the exchange for this country or against this country, is the quotation of the fact of bullion being sent or bullion not being sent; but as regards a particular country, we may judge as far as that country is concerned by its own direct operations whether there is a balance for or against us.

1788. The state of the exchanges in the East, both with China and with India, have been recently of such a character as to demand larger payments to be made to India than it had to make to us?—Notoriously; combining the two, China and India. The figures I have given relate to India.

1789. You are aware that with regard to India and China, the transactions in opium form part of the general operations between this country and those two countries?—Yes; China being a debtor to India generally.

1790. You stated that upwards of 12,000,000 *l.* of British gold has been sent to India within the last few years, for the making of railways?—Yes; at least 12,000,000 *l.* has been subscribed in this country to be invested in India. An honourable Member (Mr. Weguelin) pointed out that a considerable part of that 12,000,000 *l.*, has not gone out in the form of treasure, but in the form of iron and rails; but a large part has actually gone out in the form of treasure.

1791. Would it make any difference in the transfer of capital from this country, and the effect it would have upon the exchanges, whether it went in the form of iron rails and locomotives, or whether it went in the form of coin, bearing in mind that for that iron and those locomotives there is to be no return made, but it is to be fixed in India, and consequently not to be set against any importations made from India?—Then the transaction amounts to this, that as regards those 12,000,000 *l.*, it is an investment made by this country in India. This country has come under an obligation to India for 12,000,000 *l.* of money, and in payment of that 12,000,000 *l.* of money, it has (so to speak) imported an Annuity from India; those persons who have subscribed the 12,000,000 *l.* expect that by means of the works to be constructed with this money, a certain profit will be realised in India, and that profit will have to be remitted year by year from India to this country.

1792. Then, in point of fact, it is just as much a transfer of capital from England to India, although an annuity may hereafter be received in exchange for it, as if the whole amount had been sent in gold or silver?—As far as regards the obligations between the two countries no doubt, but as far as regards the immediate operation on the bullion market the investments of the 12,000,000 *l.* would only be operative as far as bullion was required to be sent out for actual money disbursements.

1793. But as far as regards the exchanges, would it not have the same effect as a war expenditure, the same as if, for example, you sent out a large amount of stores to the Crimea there to be expended, for which you have no corresponding imports, the difference being that in the one case you have no future annuity, and in the other case you have a future annuity?—The difference is that in the one case it is an expenditure for the national glory or the national safety without any expectation of future profit, and in the other case the expenditure is made with a view to future profit.

1794. But as far as regards the effect upon the exchange, it would be the same?—I see no difference.

1795. Therefore the displacement of capital would be the same whether the capital is sent out in the shape of iron rails or in the shape of bullion?—I do not see what is meant by "the displacement of capital."

1796. The transfer of capital from one country to the other?—Yes.

1797. Mr. *Weguelin.*] If no return is made for this iron, how can it be said to

to affect the exchanges?—I have endeavoured to state that I do not think that that part of the expenditure which is sent out in the form of commodities affects the computation of the exchange; we know perfectly well that the computation of the exchange between two countries is affected, one might say, solely by the quantity of obligations or bills offering in one country, as compared with the quantity offering in the other country against it; that is the rationale of the exchange. Now, as regards the transmission of those 12,000,000*l.* to India, the money in the first place is subscribed in this country; the total of it is 12,000,000*l.*; now, if the nature of the transaction was such that the whole of that 12,000,000*l.* was required to be laid down in Calcutta, Bombay, and Madras in treasure, nobody has any doubt that a sudden demand springing up for 12,000,000*l.* of treasure would very violently operate upon the price of silver, and upon the exchange, just the same as if the India Company were to give notice to-morrow that their drafts were to be raised from 3,000,000*l.* to 12,000,000*l.*;—but that is not the case. Half of those 12,000,000*l.* is spent by those persons in whose hands it is placed, in buying commodities in this country; those commodities in this instance happen to be iron rails and timber, and other materials for building carriages and stations, and those materials are sent out; therefore, as far as those 6,000,000*l.* so expended are concerned, it is an expenditure in this country of the capital of this country for a particular kind of commodity to be sent out to India, and there is an end of it. Now, I will ask the Committee to bear in mind the explanation I have been endeavouring to give relative to the question which was put to me as to the effect upon the exchange of the transmission of treasure from this country to another; for the 6,000,000*l.* expended in iron rails and timber, and other materials subscribed for, you have as good a claim upon the Indian traffic as for the 6,000,000*l.* sent out in hard dollars.

1798. But the production of those articles of iron and timber necessary for the railways produces a large consumption of foreign articles which might affect the exchange?—Certainly.

1799. Mr. *Wilson.*] Is it not the fact that iron ore, when it is found in the world, is of little or no value till you have human labour put upon it, and that labour being paid by wages it must represent to a great extent imported articles?—No doubt.

1800. Therefore, if you send abroad your iron and your locomotives to pay for those imported articles, you may balance the exchange?—But it does not follow that you balance the exchange with the country to which you send the manufactured iron.

1801. But speaking of the exchanges generally, it would have the effect of turning the exchanges against this country if you sent abroad the articles which were produced by the consumption of the imported articles without receiving any remittance for them either in the shape of produce or otherwise?—That principle is exactly what took place in this country during the time of the great railway expenditure. For three or four or five years, you spent upon railways 30,000,000*l.* sterling, nearly the whole of which went in the payment of wages. You sustained in three years a larger population employed in constructing railways, and locomotives, and carriages, and stations than you employed in the whole of the factory districts. The people who received the wages for this kind of work spent those wages in buying tea and sugar and spirits and other foreign commodities; those commodities were imported; but it was a fact, that during the time this great expenditure was going on the foreign exchanges between this country and other countries were not materially deranged. There was no efflux of bullion, on the contrary, there was rather an influx; the only mode in which one can explain that most extraordinary state of things is, that the increased expenditure of the working classes who were receiving the wages on the one hand, was counteracted by the diminished expenditure of the most unfortunate persons who were supplying the calls out of which that expenditure was made.

1802. But supposing the exports and imports between this country and India were 10,000,000*l.* each, and supposing the exchange was at par, and supposing we exported to India, in addition to the 10,000,000*l.* of goods, 5,000,000*l.* of iron ore and locomotives, which were to be left there, and we did not receive any corresponding import, would not that transaction affect the exchanges with India?—I do not see it, if the iron rails are sent out as an investment. If the iron rails are sent out as something to be sold, and the proceeds remitted back again, that is another thing. I perfectly agree with the principle that no one

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country can have permanently against itself an adverse state of exchange with all the other countries with which it deals; an adverse exchange with one country necessarily produces a favourable exchange with another.

1803. But would not a transfer of capital be the same whether it was sent in one form or another?—As regards the obligation it would.

1804. The effect therefore of making railways in India, whether you send bullion or whether you send materials, would be the same upon the capital market here in increasing the value of capital as if the whole was sent out in bullion?—No doubt if there is a demand for 12,000,000 *l.* to be raised, it is immaterial as regards the general rate of interest whether that 12,000,000 *l.* is required to be sent in bullion or in materials. I think, however, it is not quite immaterial, because in the one case the 6,000,000 *l.* would be returned immediately; in the other case it would not be returned so rapidly. Therefore it would make some difference whether the 6,000,000 *l.* was expended in this country or sent wholly out of it.

1805. Sir *Charles Wood.*] In answer to a question early in to-day's examination, you stated that there was no increase in the country circulation up to the period of pressure of 1837; will you be good enough to refer to Paper 19*, and to state the amount of country circulation in January 1834?—The amount of the aggregate monthly circulation of all the country bankers of England and Wales in January 1834 was 10,078,297 *l.*

Vide Appendix, No. 15, p. 148.

1806. Will you be so good as to state what it was in January 1836?—In January 1836 it had risen to 11,213,985 *l.*

1807. Will you state what it was in April 1834?—In April 1834 it was 10,655,743 *l.*

1808. Will you state what it was in April 1836?—In April 1836 it was 12,403,634 *l.*

1809. Will you state what it was in July 1834?—In July 1834 it was 9,960,147 *l.*

1810. And in July 1836?—In July 1836 it was 11,580,012 *l.*

1811. In October 1834?—In October 1834 it was 10,702,375 *l.*

1812. And in October 1836?—In October 1836 it was 12,121,744 *l.*

1813. Taking the four quarters, it appears that there was a considerable increase in the country circulation in the year immediately previous to the crash in 1837?—Yes; according to those figures there was some increase; but there was also a great increase in transactions.

1814. The increase being between 1,500,000 *l.* and 2,000,000 *l.*?—Yes; ranging between 1,500,000 *l.* and 2,000,000 *l.*

1815. And there was a considerable increase in the country circulation at the time of excitement, previous to the panic in 1837?—Comparing the years 1834 and 1836, there was no doubt some increase in the country circulation.

1816. A considerable increase?—Yes; I will not demur about the word; I think there was a considerable increase.

1817. Sir *Francis Baring.*] What is the per-centage?—That is a tedious process to work out. It seems to be an increase of somewhere between 10 and 15 per cent.

1818. Sir *Charles Wood.*] Somewhere between a fourth and a fifth?—I think not so much as that.

1819. You stated that you have no doubt that banks of issue have no control whatever as to the amount of their notes issued to the public; you said that the amount of their circulation was not in the least degree determined by any act of volition on the part of the issuers?—I said so.

1820. Do you hold as an inference from that opinion, which was stated by Mr. Gilbart in his examination before a former Committee, that notes so issued can never be issued in excess?—Yes, I hold that opinion.

1821. That notes issued in compliance with the ordinary demands of the customers of the Bank cannot be issued in excess?—I hold that opinion.

1822. Do you remember whether that was not the definition of the principle of issue which was stated by Mr. Pearse before the Committee of 1819 with respect to the Bank issues up to that period?—I do not recollect that particular part of Mr. Pearse's evidence.

1823. If you are of opinion that notes issued in compliance simply with the legitimate demands of the customers cannot be issued in excess, of what value is the convertibility of the note in checking any excess of issue?—The value of convertibility

convertibility or reflux is exactly this, that as regards the Bank of England and all other banks paying in cash, it is the only control which the issue of bank notes admits of.

1824. By whom is the control over the issues to be exercised?—I think it might save time if we distinctly endeavoured to be agreed as to what we mean by "issue." In the first place, bank notes are not given away; the issue of bank notes arises out of transactions which take place over the counter of the bank, or which take place in pursuance of some agreement; the banker makes advances, or he undertakes to grant some other kind of accommodation to his customers, and in pursuance of those transactions a certain amount of circulation is established; that is the only mode in which anything like the function of issue is carried out.

1825. By whom is that control over the issue of notes to the public, of which you spoke in your last answer but one, to be exercised?—I have just now said that those notes are issued in consequence of transactions taking place, and the only control upon the amount of notes in actual circulation with the public is the nature and extent of those transactions.

1826. If the only control is the nature and extent of those transactions, in what respect does convertibility act as any control at all?—Convertibility acts as a control precisely for this reason; a man goes to a bank, and asks to be accommodated with advances, in whatever form those advances may be made; in that mode incurring an obligation which costs him something, and he does it because he thinks he can make a certain profit by means of the advance or accommodation which he requires.

1827. In what respect does the convertibility of the note exercise any control upon such a transaction as you describe in the issue of notes?—I think the check of the convertibility applies in this way, that when a man takes from a banker the promissory notes of that banker, thereby incurring an obligation to that banker, he does it because he thinks he can turn those promissory notes to account; and he carries them away in his pocket to answer some purpose which he thinks will be profitable to himself. The notes therefore issued by a banker are kept in the possession of the customer just as long as it is profitable to his customer to keep them, and no longer.

1828. Supposing he took gold, would not it answer his purpose exactly in the same manner?—Exactly.

1829. Then the check upon the issue of notes is, according to the words of your former answer, the convertibility of the note; but the amount of notes issued simply depends upon the demand of the customer?—The issue of notes by a banker is a matter of business, carried on for profit. The customers of a banker retain in their possession as many notes as they require for the circumstances of their trade,—as many as it is convenient to them to retain. If the legal convertibility were impugned, the whole circumstances would be changed.

1830. Would not precisely the same check, namely, the demand of the customer, exist as when it was convertible?—No, I do not see that.

1831. Will you point out the difference as to the check exercised by the demand of the customer, whether the note be convertible or not convertible?—In the case of inconvertible notes, the exercise of discretion on the part of bankers (if we could suppose any such thing as inconvertible notes in connexion with private bankers), in the way of making advances, must be something very different to what the exercise of discretion is, when strict convertibility is enforced.

1832. In what respect?—In the case of strict convertibility, the banker regards his notes as so much capital, and the issue of his promissory notes payable on demand is the same thing to him as the issue of so much capital, as manifested by sovereigns or by some form of coin. In case of inconvertibility that is not so; but there has never been any such thing in this country as inconvertible notes issued by a country banker. Country notes have always been convertible into a higher medium.

1833. Then you think that he would issue a less quantity of notes if they were convertible than he would if they were inconvertible; that is, that he would be more cautious of issuing notes if they were convertible than if they were inconvertible?—If the notes were perfectly inconvertible, the person who issued the notes would be less cautious as to the uses to which he applied them than he would

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would be if the notes were convertible, in which case he would regard them as the same thing as capital.

1834. In the first place, according to your opinion, he could only issue them according to the demands of his customers?—If they were convertible.

1835. Could he issue more if they were inconvertible?—It would not be an easy thing, as we know by the example of the Bank of England under the Restriction Act of 1797, with the rigid rules which were then observed, to increase, to any considerable extent, the circulation even of inconvertible notes.

1836. I understood you to say, that no issuing banker has the power of increasing or diminishing the issue of his notes?—I say so.

1837. Whether convertible or inconvertible?—So I say:—within certain limits, as regards inconvertible notes issued by the Bank of England.

1838. If an issuing banker cannot issue either convertible or inconvertible notes beyond the demands of his customers, what is the advantage of the control upon the issue of notes which is exercised by convertibility?—The ultimate check on the issue of inconvertible paper is the action of the foreign exchanges. Of course there is always a class of persons ready enough to receive advances from bankers; and if the demands of that class of persons continued to be satisfied without due regard to the mode of providing for those notes, I need hardly say that the foreign exchanges would become deranged. The currency of the country is corrected in that form.

1839. But what check is convertibility upon the issue of notes if the banker exercises no discretion as to his issues?—The difference between the two states of things seems to me to be a fundamental one; when notes are convertible, the issuer of those notes, supposing him to be endowed with ordinary knowledge and observation, knows perfectly well that when he makes a payment by means of his convertible promissory notes, he is doing what is equivalent to parting with so much capital; the notes may come back to him the next day or the same day to be paid in coin; but if the notes are inconvertible, the whole complexion of the case is changed.

1840. If he exercises no discretion with respect to his issues whether the note is convertible or inconvertible, what effect can his feeling with respect to the convertibility have upon it?—I do not see that I can give any other answer than what I have given.

1841. You are of opinion that a person issuing convertible notes has a limited form of discretion imposed upon him by that convertibility, which does not apply to him in case of inconvertibility?—Most distinctly.

1842. Then in the case of the issue of a convertible note, you must suppose that he has some discretion with respect to the issue of the notes; I understand you to say that the issuer of an inconvertible note is not restrained by any feeling of the convertibility of the note, whereas the issuer of a convertible note is restrained in his conduct in issuing notes by the feeling that it is so much capital issued?—That seems necessarily to arise from the mere terms of the question.

1843. Then, if he can exercise a discretion, how do you reconcile that with the opinion that an issuer of notes has no power whatever of regulating the amount of his issues?—That an issuer of convertible notes has no power; but I have already said that the moment you take away the check upon convertibility, you change the whole aspect of the case; but I have said, also, that in the case even of inconvertible paper circulation, such as was established in the case of the Bank of England after Mr. Pitt's letter in February 1797, when, as we know as a matter of fact, the Bank Directors observed certain very strict rules of prudence in the administration of the Bank, it is not an easy matter, even when the check of convertibility is removed, to increase to any great extent the quantity of inconvertible notes in circulation; the fact being that, after 1797, in consequence of the rules adopted by the Bank Directors, the advances of the Bank were regulated very much as before. But in process of time, by various changes, the state of things became altered, as was the case on several occasions between 1797 and 1819; and purely in consequence of inconvertibility it became possible to maintain in circulation a large amount of Bank notes. In other words, it became possible for the Bank to continue to make larger advances at a lower rate of interest than they could have made if the check of convertibility had been imposed, necessary regard being had to the state of foreign exchanges. That was the state of facts under the inconvertible condition that prevailed between 1797 and 1819; but after

1819,

1819, when the check of convertibility was imposed, then the whole of those evils were removed, and it became impossible to make any advances, either by means of Bank notes or by means of any other kind of currency, inconsistent with the strict conformity at all times of the amount of paper in circulation to the coin which it professed to represent.

1844. Then I infer from your answer that the Bank exercised a discretion as to the amount of their issues subsequently to 1819?—As to the amount of their advances.

1845. Does the convertibility of the note affect the advances?—I take it that the convertibility of the note affects nothing else, except the discretion of the Bank as regards its advances.

1846. Are the advances necessarily made in notes?—They are by no means necessarily made in notes. So far from that being the fact, I believe the cases are hardly more than one in a thousand where, if an advance is made, it is made in notes at all.

1847. Then the convertibility of the note must affect something beyond the amount of the advances?—It affects the obligation which all persons carrying on trade have, of being bound to pay their obligations in cash.

1848. The convertibility of the Bank note does not affect them more than the obligation of the Bank to pay their notes in coin?—The obligation of cash payment is universal, not only as regards Bank notes, but as regards deposits.

1849. A deposit may be drawn out in Bank notes?—But those Bank notes are the same thing as paying it in gold.

1850. That is to say, the notes are convertible into gold?—Certainly; I am assuming that.

1851. I understood you to say that you considered that all the obligations of the Bank of England should be paid in sterling coin on demand. That is your opinion?—That is my opinion distinctly.

1852. The whole amount of deposits of the Bank of England?—I do not mean all at one moment; but I mean that all the liabilities of the Bank of England should be held by the Bank distinctly on the condition of being repaid, according to the terms of the several contracts, in sterling coin of the realm.

1853. Is that an obligation which you conceive applies to any other bank?—I hold that it applies to all banks.

1854. Any other bank may pay its obligations in Bank of England notes, may it not?—That is a mere arrangement of convenience; it does not in the least affect the principle of convertibility.

1855. You have stated that you consider that the discretion of the banker is a much better rule than any legislative limit on the issue of notes. Do you conceive that the Act of 1844 imposes any restraint on the conduct of the Bank of England with regard to the conduct of the Bank?—Yes, I do.

1856. In what respect?—It compels them to assign a certain portion of their bullion as a reserve against one portion of their liabilities.

1857. That is, against their issue of notes?—Against their notes in the hands of the public.

1858. Since the Act of 1844, a bank of issue cannot issue notes beyond a certain limited amount, can it?—That is so.

1859. Do you suppose that the demand for accommodation upon those banks is equal at all times?—I should think not.

1860. Then how do they meet the demands of their customers, supposing at any time those demands should be in excess of that which can be accommodated by the limited issue of the Bank?—They can only meet those demands either out of their own capital, or out of capital belonging to the public lodged with them in the shape of deposits.

1861. My question refers to the shape in which those advances are made, either in Bank notes or in gold?—As regards the actual payment over the counter, supposing a banker to have arrived at the statutory limit of his own circulation, any payment he requires beyond that must be made either in notes of the Bank of England or in notes of other local banks, or in coin.

1862. Then his means of increasing the accommodation to his customers is by obtaining other modes of circulating medium?—If we confine the question solely to circulating medium, it is so; speaking merely of the mode in which the transaction takes place.

1863. Of course the amount of advances must depend upon the amount of his

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his capital, either his own or which his customers have entrusted to his care?—Exactly.

1864. If that be so, he might, if he pleased, substitute circulation of the Bank of England for his own notes so as to reduce his own circulation even below the statutory limit?—He might, if he chose, relinquish his own circulation and take the Bank of England circulation instead of it.

1865. Would that diminish materially his power to accommodate his customers?—Supposing the amount of his notes in circulation in the town or district to be, on the average, 500,000 *l.*, and supposing he observed the ordinary banking rule of maintaining one-third in coin, as a reserve against that 500,000 *l.*, then the withdrawal of his circulation would be the same thing as diminishing his banking means to the extent of about 350,000 *l.*

1866. Does not your answer imply that the notes issued by him are so much capital in his hands?—Yes, after allowance has been made for the reserve of coin which he must keep against the amount of circulation assigned to him.

1867. Two-thirds of that amount of his notes is equivalent to the creation of so much capital?—Yes; and if you withdraw his circulation, you diminish his banking means to the same extent.

1868. Then do you consider all bank notes beyond the two-thirds of bullion held in reserve as so much capital added to the capital of the country?—Those bank notes are generally so much added to the available capital of the country, because they effect an economy to that amount in the instrument of exchange, which but for those bank notes must be represented by coin.

1869. You stated that the Bank of England could not give accommodation to the public by the mere issue of notes, inasmuch as it would be equivalent to the abstraction of the same amount of capital from its reserve of gold?—Yes.

1870. If that is so, what is the obstruction placed on the accommodation of the public by the Bank of England, by the Act of 1844?—The obstruction to the accommodation to the public by the Bank of England imposed by the Act of 1844 amounts to this: The Act of 1844 (I am sorry to have to trouble the Committee by repeating what I stated before) compels the Bank of England to divide into two parts its bullion reserve, and to set apart a very considerable and generally the largest portion of its bullion as a specific reserve against its circulation. Out of that division of the bullion arises this state of things, that while the Bank of England is left exactly as it was before the passing of the Act of 1844, as regards its operations of banking, it is left to discharge all its responsibilities, and to carry on the whole of its large business by means of a divided reserve; namely, the portion of the reserve found in the banking department. I will not stop to consider the technical question in what shape that reserve may happen to be, whether it may happen to be precisely in the form of sovereigns, or in the form of notes, which are so many vouchers for so many sovereigns. The fact is substantially this, that the Bank of England is left to carry on the whole of the business and the whole of the responsibilities which rested upon it prior to 1844, upon a smaller reserve; and beyond that, the Bank of England is supposed to lie under the obligation of carrying out the principles laid down in that year, namely, that the convertibility of the note having been provided for by statutory enactment, then it is not only convenient, but it constitutes a kind of duty on the part of the banking department of the Bank of England to enter into a vigorous competition with all other dealers in money, and to reduce the rate of discount as low as it may be necessary to do in order to find remunerative employment for its funds. Out of that state of things, and out of that line of policy, it has arisen, as a matter not merely of speculation, but of fact, that since 1844 the variations in the rate of discount have been more irregular, violent, and extreme than they were before; and consequently, the occasions on which the Bank has come into collision with the general trade of the country, have been very much increased and very much intensified; and out of those various causes have arisen, on frequent occasions, great suffering and inconvenience. Those, in general terms, are the kinds of inconvenience arising from the operation of the Act of 1844.

1871. The question I asked you was, what obstruction is placed upon the accommodation given to the public by the Bank of England by the Act of 1844?—The obstruction which that Act has placed upon the accommodation of the public is, that the public has not had the advantage of the whole of the resources possessed by the Bank of England.

1872. The

1872. The whole of the gold held in the issue department is represented by notes placed in the banking department, which you describe as equivalent to gold. In what way is the reserve in the banking department diminished by what you call the division of the reserve into two parts?—The reserve is cut in two; I can only illustrate it by referring to what took place prior to 1844. Prior to 1844 the whole of the liabilities of the Bank, as regarded either its outstanding circulation or its deposits, were placed in one class, and those liabilities were provided for by a certain reserve in the form of coin and bullion, constituting one part of the assets. The Bank traded, therefore, upon the whole of its bullion reserve. Since 1844 that state of things has been altered. The largest half of that bullion reserve has been carried away and locked up,—impounded, for the purpose of providing a specific reserve against the circulation; the effect has been, therefore, that the public have been inconvenienced, and have been great sufferers in consequence of the violent oscillations up and down, jerks backwards and forwards in the rate of discount. That has arisen from the immense mass of operations which had to be carried on by the Bank, and to be carried on merely on the strength of that portion of the bullion which happened to be in the banking department.

1873. Are not the notes in the banking department that represent the gold, equivalent to so much gold to enable the Bank to carry on its banking transactions?—I am glad to hear the honourable Member countenance that view, which I have always maintained, and which has been maintained by persons with whom I have the honour to agree, that the reserve in the banking department is equivalent to so much bullion.

1874. My question is, whether it is not as useful for the purpose of carrying on the banking operations of the Bank, as if it was bullion?—It is perfectly as useful as the reserve of bullion; it is useful for any other purpose, because it is a reserve of bullion.

1875. In what respect is the power of the Bank to accommodate the public diminished by what you call cutting the reserve in two?—Simply because the Bank is compelled to carry on its business with only half its natural resources. In my former examination I ventured to give the Committee some examples of it. An honourable Member was good enough to put questions to me relating to the years 1853 and 1854, when the Bank rate of discount was raised from 5 to 5½ per cent. in consequence of a diminution of the reserve in the banking department to the amount of 3,000,000*l.* But while the reserve in the banking department had been diminished by the amount of 3,000,000*l.* out of between 7,000,000*l.* and 8,000,000*l.*, or more than 37 per cent., the total reserve of the Bank had only been diminished to the extent of 3,000,000*l.* out of 16,000,000*l.* Now, while it might be a very proper and necessary operation of the Bank of England, acting merely upon a reserve of 8,000,000*l.*, that finding the 8,000,000*l.* reduced to 5,000,000*l.*, it should therefore very largely raise its rate of discount, it by no means follows that the same thing would be necessary if the Bank had had the command of the whole 160,000,000*l.* of treasure, which it had in the summer of 1853. That is one case; I could give many others.

1876. How are the resources of the banking department diminished by the operation of the Act of 1844, if it hold in gold as many notes as it would otherwise hold?—The resources of the banking department are not diminished; but my answer has been directed to the general arrangements introduced by the Act of 1844.

1877. Is there any diminution of the resources of the Bank if they are allowed to issue notes in addition to those issued on securities to the full extent of the reserve of bullion which they hold in the issue department?—If I understand the question rightly, it supposes that the two departments shall be amalgamated. If the two departments were amalgamated then the same state of things would prevail as before 1844, and that would be a result which is the exact consummation which I desire.

1878. Then there is no diminution of the resources of the Bank by the operation of the Act of 1844?—There is, so long as the Act of 1844 is allowed to be in full force.

1879. How is the rate of interest charged by the Bank affected by the Act of 1844?—The rate of interest has been affected by the Act of 1844 in a very material degree, and it is exactly on that ground that those persons who object to the Act found the chief part of their complaint. We complain that the effect of the Act of 1844 in setting up as a principle that the banking depart-

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ment of the Bank of England should be reduced to the status and condition and functions of all other ordinary joint stock banks, has been, that the Bank of England has become an ordinary competitor in the London money market; and that being an ordinary competitor in the London money market in times when the rate of interest has been falling, the Bank has driven down the rate of interest further than it would otherwise have fallen, and has kept it down longer at a low point than it would otherwise have remained; and that the consequence of that action on the part of the Bank has been to produce a more violent rebound than would otherwise have happened. We by no means say that it is in the power, either of the Bank of England, or of any other bank, or of any combination of banks, to maintain either a low rate of interest or a high rate of interest permanently for any considerable period of time; but we do say that it is in the power of the Bank of England to produce the effects I have stated, and that it is actually the state of the case, that the Bank of England competing constantly and systematically with the other lenders of money in London has the effect of producing extreme, violent, and irregular changes in the rate of discount.

1880. Then the alteration you speak of is rather a change in the practice of the Bank than any operation of the Act of 1844?—If it had been a principle of the Act of 1844, that the Bank of England should never reduce its rate of discount below 4 per cent., although such a regulation would not have prevented a great many of the inconveniences which have arisen from this Act, it would have mitigated them.

1881. Does the Act of 1844 impose any restriction, or give any latitude as to the rate of interest which did not exist before?—I think it does.

1882. In what provision of the Act is that done?—There is no provision in the Act upon the subject; but there were very distinct statements by very eminent persons in connexion with the discussions which arose at the time when the Act was before Parliament. It was laid down by the author of the Act, and by very distinguished persons at the time, that the security of the circulation having been provided for by this mechanical contrivance, it was then very desirable that the use of the circulation should be obtained by the public for the purposes of business on the lowest terms possible. And it certainly is true, that in September 1844, when the Act came into operation, the first effect produced by the Act upon the Bank of England was a reduction of its rate of discount from 4 to 2½ per cent.

1883. But I wish you to distinguish between a change in the practice of the Bank and an operation caused by the provisions of the Act. Do you conceive any provision of the Act to affect the practice of the Bank of England in that respect?—I do not mean to say that you can find on the face of the statute a clause directing that the Bank of England shall enter into constant competition with the London money dealers; but I can refer very confidently to the discussions and publications which took place at the time, which certainly do convey that doctrine, or rather do contain that injunction.

1884. But it is not in the Act?—It is not in the Act.

1885. Would you think it desirable to impose any restriction upon the action of the Bank as to the rate of discount which it should charge under any circumstances?—The state of things I should like to see established is that the Bank of England should act as in former times; that the Bank of England should be placed entirely on the responsibility of its own discretion; that it should have, on the one hand, to sustain the responsibility arising out of the whole of its liabilities, and that it should have, on the other hand, the resources arising from the whole of its assets, and beyond this there should not be any law, but that there should be something like a tradition or an understanding that the rate of discount of the Bank of England should never be lower than 4 per cent.

1886. Is it not in the discretion of the Bank Directors, if they choose, to keep their rate of discount at a rate not lower than 4 per cent.?—I believe that is entirely in the discretion of the Bank Directors; but in the exercise of their discretion since 1844 they have frequently lowered it below 4 per cent.

1887. You think it desirable that they should be restrained from so doing?—That is my opinion. I have endeavoured to explain what I mean by "restrained;" not that they should be restrained by law, but that they should be restrained by a rule of banking practice applicable to their own establishment.

1888. You do not think it should be made matter of legislation?—I think that is undesirable.

1889. Why

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1889. Why should they not do what all other parties do, lend out at a low rate of interest the capital which happens to be accumulating in their hands?—I think it is not desirable that the Bank of England should do that, for several reasons. In the first place (I am sorry to have to repeat what I said in my former evidence), as regards magnitude, there is no other banking institution, either in London or in any other part of the United Kingdom, whose resources are, for a moment, to be compared in point of magnitude with the resources wielded by the Bank of England. A few years ago, (*see* History of Prices, VI., 604) I took some pains to endeavour to arrive at something like a numerical estimate of the magnitude of the resources of the Bank as compared with the rest of the funds commonly employed in the London money market. I do not pretend to say that the conclusions at which I arrived were entitled to more credit than might be assigned to any other attempt to form a systematic estimate; but I satisfied myself that the amount of funds constantly employed in the money market may be described as something like 120,000,000*l.* sterling; and of that 120,000,000*l.* a very considerable proportion, something like 15 or 20 per cent., is wielded by the Bank of England. Now, that is a proportion which is not found to prevail in any other single establishment. Then I go to the next distinction: there is not only the magnitude of the Bank's resources, but there is the moral influence, the traditional influence which attaches to the movements of a central establishment like the Bank of England. And a third reason is, that the hoard of coin and the reservoir of treasure which is found in the Bank of England we know, by long experience, is exactly that hoard or reservoir which is always called upon to sustain a drain arising out of an adverse state of the exchanges. The three, or four, or five millions required every now and then to pay for an excess of imports over exports is not drawn in driblets from the pockets of persons who happen to have got the circulation in their possession, but it is drawn from the central hoard of the Bank of England. The Bank of England, therefore, stands in a very different relation to the commerce of the country from that sustained by any other bank, or any other number of banks.

1890. Why should the Bank of England be debarred from using the capital placed in its hands at about the same rate at which the capital entrusted to other parties is used?—I must refer to the reasons I have already stated.

1891. Does not your theory impose a limit upon the use of capital to the public at large?—As far as regards the Bank of England it does.

1892. Is it not so far a disadvantage to the public, that they should not have the use of capital which is in the hands of the Bank, on somewhat similar terms to the capital which is in other hands?—On the one hand it is, no doubt, to a certain extent disadvantageous to the public; but on the other hand there are very strong reasons for supposing that the advantages very much counterbalance the disadvantages.

1893. As regards the moral effect, how is the capital lent by the Bank of England distinguished in its effect from the capital lent by other persons?—Long experience justifies the conclusion, that the ease with which the transactions of a large country like this admit of being managed, depends in the first and largest degree upon the magnitude of the central hoard of treasure, out of which we are able to supply the demands of an adverse exchange.

1894. But supposing that the money in the hands of the Bank of England is judiciously lent, how does that affect the question?—By "judiciously lent," I imagine is meant, that the capital is only advanced on good securities; but those securities, however good they might be, would not be immediately available in case of a foreign drain. We cannot export bills of exchange, but we can export bullion.

1895. But it appears that the amount of discount has not been increased by any variation in the rate of discount?—That, I say, is one great reason why the rate of discount should not be unduly lowered.

1896. Does not that fact show that no great effect is produced by the rate at which they make advances?—I can hardly admit that; I would suggest that when the rate of discount at the Bank of England is reduced to a very low point then come into operation those other causes to which I have endeavoured to refer, namely, that the effect of the Bank reducing its rate of discount to a very low point is to drive down the rate not merely at the Bank of England, but the general rate out of doors at which advances may be obtained by the public; that the effect is to drive down the rate to a much lower point than it would otherwise

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wise fall to. And we areall perfectly familiar with the consequences which are almost inevitably produced by a low rate of interest continued for any great length of time. The effect is to debase gradually the quality of the securities upon which advances are made, and to produce, sooner or later, a violent rebound.

1897. Would you impose upon the Bank of England the duty of cheeking the advance of capital at a rate of interest at which it might otherwise be lent? —I think my proposition hardly goes to imposing upon them the duty of checking it; it merely goes to asking that they should not take a part in driving down the rate of interest lower than it would otherwise fall to.

1898. I understood you to say that when the rate of interest falls below 4 per cent. you would not allow the Bank of England to make advances at that rate, although other parties were doing so?—Yes.

1899. Then, if the Bank of England were not allowed to advance at a lower rate than 4 per cent., that would check the accommodation to the public in the shape of advances or discounts, or in whatever way capital may be advanced?— In that form, I think, it would be so.

1900. And you think that desirable?—I think it is desirable.

1901. Would not that place the Bank at a disadvantage in the use of the capital entrusted to it with a view to the profit of the Bank?—It would, certainly, to some extent, reduce the profit.

1902. Would that be fair to the Bank?—I think that, after it became a point of settled practice, that the Bank should conduct its operations so as to maintain a larger amount of treasure than would be necessary for the mere trading purposes of the corporation, that would constitute a ground upon which some compensation might be made to the Bank with respect to the terms upon which it carries on the Government business.

1903. You would compensate the Bank out of the public funds for withholding accommodation to the trading world at certain times?—I would compensate the Bank for providing for the public, on the largest scale, valuable accommodation.

1904. In the case put you would diminish the accommodation which the Bank would give to the public at certain times?—As regards the rate of interest below 4 per cent.

1905. Did I rightly understand you to say that the late drain was by gold going out in exchange for silver?—I think very much so from the drain from France.

1906. Was there a larger quantity of silver being imported into this country than usual?—I imagine it was so.

1907. Did I rightly understand you to say, that the average amount of bullion held by the Bank in 1843 was 11,500,000 *l.*?—I think about 11,500,000 *l.*

1908. You also stated that the average amount in 1856 was about 11,500,000 *l.*?—I think about that.

1909. You stated that the average amount in 1844 was 15,500,000 *l.*?—Yes.

1910. And in 1855 about 16,000,000 *l.*?—In 1855 certainly 16,000,000 *l.*

1911. Then upon the whole there is a gradual increase in 1855 and 1856 upon 1843 and 1844?— It would seem to be so.

1912. I understood you to say that you thought that the circulation of bank notes ought to be subjected to certain rules?—I do not remember the particular answer to which you refer. The only rule which I am disposed to admit as being applicable to the amount of bank notes circulating with the public, is simply the demands and requirements of the public.

1913. You do not contemplate that any rule whatever, except the demands of the public, should be applied to the issue of bank notes, whether Bank of England or country bankers' notes?—No, I do not, except that they should be payable on demand.

1914. Is there any difference, in principle, between a 5 *l.* note, and a 20 *s.* and a 1 *s.* note?—There is no difference in principle, they are a form of paper credit, payable at the will of the holder on demand. But I imagine that the moment you get below 5 *l.* you introduce into the question elements which are not financial elements; you introduce considerations of police.

1915. You spoke of the drafts of the East India Company as causing export of bullion to India; will you have the goodness to explain what you meant by that?—The operations of India House drafts is shortly this, they

they may be regarded as the tribute paid by India to this country for what I really believe to be the advantage of British administration. The charges connected with the home establishment of the East India Company and the dividends to be paid to the proprietors of East India stock, amount generally to about 3,000,000*l.* a year. Looking at the state of the international payments between this country and India, we find this state of things: I find in the year 1855 that we imported from India commodities of the real value of 12,670,000 *l.*; I find, on the other hand, that we exported to India commodities of the real value of 10,350,000*l.*, but over and above that 10,350,000 *l.* we had a claim upon India for services performed on account of India, the money payment which amounts to 3,700,000 *l.*

1916. Is not that payment to be made in this country?—It is.

1917. How does that tend to promote the export either of goods or bullion to India?—The 3,700,000*l.* which is to be laid down in this country as an expenditure to be made in this country on Indian account, certainly is a very important element in the state of the exchanges between India and England. According to these figures, we owed to India, in the year 1855, 12,670,000*l.*, and we sent to India, 10,350,000*l.* There would be, therefore, a balance against this country of 2,250,000*l.* If that was the whole state of the case, that 2,250,000*l.* would have to be remitted in some form to India. But then come in the advertisements from the India House. The India House advertise to this effect, that they are prepared to grant drafts on the various presidencies in India to the extent of 3,250,000*l.* And that not merely liquidates the 2,250,000*l.* which arose out of the course of trade, but it presents 1,000,000*l.* of surplus.

1918. How does the necessity of making a payment in this country out of Indian resources tend to increase the exports to India?—It does not tend to increase the exports to India. That was the gist of my statement. I intended to convey to the Committee that, as between this country and India, the current impression was not a correct impression, namely, that for the last four or five years the balance of trade has been very largely against this country. That is not so at all. It is so as regards the Eastern trade, taken as a whole, when you combine India and China, when you bring into account the transactions between India and Australia, and the still more important transactions between China and the United States, the trade being a triangular one, and the adjustment taking place through us. When you take a comprehensive view of the whole trade, then it is true that the balance of trade was not merely against this country, but against France, and against the United States.

1919. I understood you to say that the exports to India were increased by the Indian drafts. Will you explain how the exports to India are increased by the necessity of paying 3,000,000*l.* and upwards in this country out of Indian produce?—Take the figures of 1855 again. We owe to India for goods actually imported into the United Kingdom, the real value of which is 12,670,000*l.* There is no doubt about that sum, as far as the official figures are concerned. This is the official statement of the real value of the goods imported from India into the United Kingdom in the year 1855. Then, on the other side, the official statement of the real value of the goods exported from the United Kingdom to India, in the year 1855, is 10,350,000*l.* The difference between these two sums is 2,300,000*l.* Suppose the case was to stop there, it is clear that England must send to India 2,300,000*l.* Then we must take the next step, which is this: we find that India is indebted to this country in the sum of 3,250,000*l.*, for services which have been performed by this country in India. Those services have to be paid for here. It is, therefore, the same thing as regards India, whether on the one hand we send to India 2,300,000*l.*, and on the other draw from India 3,250,000*l.*, or whether we make the transaction a transaction of set-off, and merely draw from India the difference between 2,300,000 *l.* on the one side, and 3,250,000*l.* on the other.

1920. Then is not it the fact, that Indian finance would cause, supposing there was no trade, the necessity of remitting 3,000,000*l.* worth of produce to this country?—No; there would be a necessity, if there were no India House drafts, of sending the balance to India.

1921. Then the existence of the India House drafts obviates the necessity of sending goods to that amount to India?—No doubt of it.

1922. Then the effect of those India House drafts is not to increase the exports

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to India, but *pro tanto* to diminish them?—It comes to the same thing; you may put it in either of the two ways; the effect of the India House drafts is either virtually to increase the exports from this country, or to diminish the imports from India; you may put it which way you please.

1923. But I understand you to say, that the imports from India are 12,670,000*l.*, and the exports to India are 10,350,000 *l.*, and instead of sending goods to India, as we naturally should, to the amount of the 12,600,000 *l.* we are content to take the drafts in this country?—Yes.

1924. Then the effect of the drafts is to diminish the exports to India, and not to increase them?—The effect of the drafts is to balance the account.

1925. The effect of the annual debt due from India to be discharged in this country, is to diminish the necessity of sending to India an amount of payment equivalent to the difference in value between 10,350,000 *l.* of exports and 12,670,000 *l.* of imports?—Yes; the effect is shortly this, that in the year 1855, we imported from India merchandise of the value of 12,670,000 *l.*, and India imported from us 10,350,000 *l.* in goods, and 3,700,000 *l.* in good government.

1926. Then the export which you state is caused by the East India drafts is an export of good government, and not of produce?—Exactly so, but it answers the convenient purpose of adjusting the account.

1927. You were asked, whether it was not the same, whether goods in the shape of iron rails or whether gold was sent to India, and you stated you did not quite agree with that proposition?—I do not quite agree with that proposition as regards the effect upon the exchange at the time.

1928. You were asked, whether it was not much the same thing as sending warlike stores to the Crimea?—As relates to the expenditure of capital in India, I think the two operations in their ultimate nature are the same.

1929. You see no difference between an export of warlike stores to the Crimea and an export of iron or gold to India?—To be invested in the construction of permanent works there.

1930. Do you conceive that the sending of warlike stores to the Crimea affected the exchange with that country?—That was a peculiar case.

1931. You think that the sending of gunpowder and muskets to the Crimea affected the exchange?—The gunpowder and muskets were only one description of the stores.

1932. How did the sending of gunpowder and muskets to the army in the Crimea affect the exchange with Turkey, for instance?—In the first place, the sending of commodities to the Crimea resolves itself into the same process as sending iron to India. The sending of the commodities would not necessarily affect the exchange between this country and Turkey; but you cannot transfer any mass of capital from one country to another without producing an effect more or less violent upon the general condition of its international payments.

1933. Will you explain how the transmission of gunpowder and arms to the Crimea did affect the exchange with Turkey?—In ordinary times the trade between this country and Turkey is a trade which may be described as in a state of equilibrium, where the drafts on the one side are about equal to the drafts on the other. A state of things suddenly arises when a large amount of British capital is required in a particular part of the Turkish dominions for the purposes of war. The transmission of that capital in the case of the Crimea was not merely in the form of stores, not merely in the form of gunpowder and warlike accoutrements and so on, but it must also have been to a great extent in the form of treasure for the purpose of paying the troops.

1934. The answer you gave before applied to warlike stores, and my question is how the transmission of warlike stores to the Crimea affected the exchange with Turkey?—I do not see that the mere transmission of warlike stores would necessarily affect the exchange, but certainly the transmission of treasure would affect the exchange.

1935. Mr. *Wilson.*] If you make an export of any article to a great extent, for which there is to be no corresponding import, you do not discharge the foreign debt you have created by your imports, and therefore you must by that transaction affect the exchanges, by not discharging the foreign debt, by reason of your export having no corresponding imports?—That is true as regards countries generally.

1936. But with regard to the exchanges of the whole country, to whatever extent you export goods without having corresponding import, must there not be an effect upon the exchanges?—Yes.

1937. And

1937. And with respect to the particular country to which you export the goods, it will be in proportion to the trade with that country?—Yes.

1938. Sir *Charles Wood.*] If no portion of the goods which are employed in the manufacture of the articles exported without return came from the country to which those articles are sent, how is the exchange with that country affected; supposing the trade with Turkey to be in an ordinary state of equilibrium, how is the exchange between this country and Turkey affected by the export of warlike stores to the Crimea?—We seem, I think, to have exhausted the practical question, and to have now attained a very elevated region of metaphysical discussion.

1939. Mr. *Weguelin.*] With regard to the convertibility of the note, is not the control of the convertibility of bank notes in the hands of the note-holders?—Perfectly.

1940. Does the note-holder keep either a convertible or an inconvertible note in his possession if he does not require it?—Certainly not.

1941. If you issue inconvertible notes, which are not depreciated in the market, may they not be exchanged for current coin of the realm, and the coin be exported?—Supposing the market price of gold corresponds with the Mint price, certainly.

1942. The uses of a convertible note are for the ordinary purposes of payment?—Yes; I do not agree in the definition which describes convertible Bank notes as being *par excellence* money; I think they are a form of credit; but in the sense in which the question is put, the convertible note would perform the functions of money.

1943. But an inconvertible note may be used by a person taking it for the purpose of substituting notes for the current coin of the realm and exporting the coin?—That is clearly the case when the market price of gold exceeds the Mint price, and the exchanges are allowed to go to a point which otherwise they would not go to.

1944. Therefore the uses of a convertible note and of an inconvertible note may be different?—I think so.

1945. There may be a substitution of inconvertible notes for the current coin of the realm, which may account for the power of the Bank to issue a larger number of inconvertible notes than convertible?—Yes; we saw that to be the case between 1797 and 1819.

1946. *Chairman.*] The case was put to you of inconvertible notes being issued by a private banker. Is it conceivable that inconvertible notes could ever be issued by a private banker?—No. I do not quite understand what the meaning intended to be conveyed is in speaking of inconvertible notes issued by a private banker. The notes of private bankers in this country have always been convertible into something else.

1947. A bank note is a promise to pay on demand?—Certainly.

1948. If the state were to confer upon a private individual the privilege of issuing promises to pay which he was not bound to pay, it would in fact confer on that private individual a power of committing a fraud?—Yes, it would.

1949. Is not that power too valuable a one, for a government ever to confer it upon a private individual?—It has been considered so valuable that, so far, no government has been found generous enough to try the experiment.

1950. Is not it a power which governments have always thought fit to reserve to themselves?—It is an exercise of fraud which, so far, has been a monopoly.

1951. Did you ever hear of an inconvertible note which was not issued either by a government or by a national bank?—I never heard of such a thing.

1952. Is it not a matter of fact, that during the French Revolution the Government issued millions upon millions of assignats which were inconvertible, and which were required to be received upon pain of death?—Yes.

1953. Is it not also a matter of fact, that the Government refused to receive those assignats in payment of obligations due to itself?—That was so.

1954. Is it not necessary, in order to keep an inconvertible paper in circulation, to resort to fraudulent and forcible resources of that kind?—To keep it in circulation, and to go on continually increasing the quantity, no doubt it is. If you cut off all modes of reflux, every quantity issued is of necessity so much added to the volume previously in circulation.

1955. When a private banker issues convertible paper, the check and control upon

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upon him is the fear of being called upon to pay all the promises which he issues?—No doubt about it.

1956. When you speak of the issue of inconvertible paper by a government which is not responsible for its acts, and of the issue of convertible paper by a private individual who is subject to the dominion of the law, and who is liable to pay upon demand, and who, if he does not pay, can be compelled to do so by process of law, do you not conceive they are totally dissimilar things?—I ventured to say in reply to a former question, that I conceive the two cases to be totally different.

1957. Mr. *Hildyard.*] Are you aware that the milrea in the Brazils is inconvertible?—I think I have heard that.

1958. Are you also aware that it has not varied in value during the last 20 years more than from 27 *d.* to 28 *d.* and that that is mainly owing to the mode in which the national bank of the Brazils has conducted its operations?—I am not acquainted with the details of the Bank administration in the Brazils, but we saw here during the early part of the Bank restriction, that it is possible to have an inconvertible circulation of bank notes without that circulation becoming suddenly excessive.

1959. I believe that from 1797 to 1801 there was no indication that the paper currency was depreciated?—None whatever. So far from its being a necessary effect of the introduction of inconvertible paper to produce excess, we know it to be a fact that after the Bank restriction had been in force two years, the accumulation of coin in the Bank of England was so large as to induce the Bank Directors to give formal notice under the statute to the Government that they were prepared to resume cash payments, and to ask to be allowed to resume cash payments. But for considerations of state policy Mr. Pitt would not allow them to resume cash payments.

1960. Does not Mr. Fullarton make this distinction, that so long as the operations are confined to operations on loan, you can conceive of an inconvertible currency preserving its value, and that it is when the Government begins to draw upon the Bank, and does not repay the loans, that then the depreciation commences?—That is quite true.

1961. *Chairman.*] If the Government pays the public creditor, as well as its officers and contractors, in inconvertible paper, and does not receive inconvertible paper in payment to itself, there is, practically, no limit upon its issues, is there?—None whatever.

1962. The practical limit upon the issue of a private banker is the fear of his notes coming back upon him for payment?—Certainly.

1963. Does not that constitute an essential difference between the two, as respects the practical limit upon issues?—That is so essential a difference that I have a difficulty in consenting in my own mind to argue upon the two cases as being of a nature to have applied to them the same principles or the same rules of consideration.

1964. Mr. *Puller.*] You said that notes issued to the public in obedience to the legitimate demands of customers cannot be issued in excess; do you mean to deny that notes may be issued in such numbers that the whole amount of circulation will exceed what the whole amount of circulation would be with a purely metallic circulation?—Yes; I maintain that the variations in a mixed circulation, composed of coin and convertible paper, are exactly the same as the variations that would occur in a currency entirely metallic, so far as we can judge; we have no actual type to refer to.

1965. Mr. *Tite.*] You have told us that in 1834, 1844, and 1854 the bank-note circulation was about 39,000,000 *l.*; can you give us the amount of coin in circulation in those years?—Not in circulation.

1966. You told us that you believed that in 1854 it was 70,000,000 *l.*; can you give us any idea what it was in former years?—Only by way of a rough guess; I should guess it as 40,000,000 *l.* in 1834.

1967. In 1844 how much?—I should think between 40,000,000 *l.* and 50,000,000 *l.*

1968. Mr. *Hankey.*] You stated that one of the greatest objections to the Act of 1844 was, that the variations in the rates of interest at the Bank have been much more frequent since 1844 than they were previously to 1844?—Yes, that is one objection.

1969. Would

1969. Would you admit that the rate of interest allowed by the brokers in Lombard-street to the bankers in Lombard-street would be a fair mode of testing what the current rate of interest is generally in Lombard-street?—The rate allowed would hardly be so good a test as the rate charged by brokers.

1970. You are aware that it is extremely difficult to get an account of the rates charged by brokers without bringing the brokers to examine them; but it is easy to ascertain the rates which have been allowed by brokers to bankers, which probably you will admit vary according to the rates charged by the brokers for discounting bills?—Yes; I am not prepared to say that the rates allowed by brokers are not a very fair approximation to the rates in the market.

1971. Will you look at this paper?—

(*The following Paper being shown to the Witness*):

"RATES of INTEREST allowed to BANKERS by BROKERS in Lombard-street.

1834:					
April	-	-	-	-	2¾
August	-	-	-	-	3
December	-	-	-	-	3½
1835:					
January	-	-	-	-	3
April	-	-	-	-	3¼
September	-	-	-	-	3
1836:					
July	-	-	-	-	3½
September	-	-	-	-	4
1837:					
January	-	-	-	-	4½
March	-	-	-	-	4
July	-	-	-	-	3½
August	-	-	-	-	3
November	-	-	-	-	2½
1838:					
April	-	-	-	-	2
May	-	-	-	-	2½
November	-	-	-	-	3
1839:					
May	-	-	-	-	3½
„	-	-	-	-	4
June	-	-	-	-	4½
August	-	-	-	-	5
October 4	-	-	-	-	5½
„ 28	-	-	-	-	5
November	-	-	-	-	5½
1840:					
January 10	-	-	-	-	5
„ 20	-	-	-	-	4
April	-	-	-	-	3½
June	-	-	-	-	4
July	-	-	-	-	3½
September	-	-	-	-	4
October 5	-	-	-	-	4½
„ 30	-	-	-	-	5
1841:					
January 1	-	-	-	-	4½
„ 23	-	-	-	-	4
1842:					
February	-	-	-	-	3½
April	-	-	-	-	3
May 7	-	-	-	-	2½
„ 17	-	-	-	-	3
July	-	-	-	-	2½
September	-	-	-	-	2
1843:					
March	-	-	-	-	1½
May	-	-	-	-	2
July	-	-	-	-	1½
November	-	-	-	-	2
10 years	-	-	-		43

The variations in the current rates of interest, as shown by the rates of interest allowed by ondon discount houses to London bankers, were 43 in the 10 years previous to 1844; and the variations in the rates of interest in the 10 years succeeding 1844, as evidenced by the Bank rates of interest, are about 20."

You will observe in that paper variations in the rates. Assuming that paper to be correct, it appears that the variations of rates allowed by the discount brokers in Lombard-street to the London bankers were, in the 10 years previously to 1844, 43 in number?—Yes.

1972. Have you any means of knowing the variations in the rates charged by the Bank of England since 1844, taking the 10 years succeeding the year 1844?—Yes, I can give you the facts from 1844 to the end of 1854. There were 33 alterations in the Bank of England rate. I believe I have got a very accurate list of them in the "History of Prices," vol. 5, pp. 563-4.

1973. You believe that number of alterations in the rates during the 10 succeeding years were 33?—Yes.

1974. Therefore the variations, so far from being in excess since 1844, have been much less?—Comparing those two terms.

1975. Mr. *Hildyard.*] Will you state within what limits the variations were during that period?—Looking at the paper placed in my hands, the highest rate seems

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seems to have been in November 1839, when the rate was 5½ per cent., and the lowest rate appears to have been in July 1843, when the rate was 1½ per cent., showing an extreme variation of 4 per cent. Now in the 10 years succeeding 1844 the highest rate charged by the Bank under its published notices was 8 per cent. in October 1847, and the lowest rate charged by the Bank was, in April 1852, 2 per cent.; a variation therefore of 6 per cent.

1976. Mr. *Hankey*.] Then though the variations appear to have been greater in amount, they were not so frequent in number?—I am not prepared to say that without examining the figures in detail.

1977. But if the paper you have in your hand is correct, the variations were not so frequent subsequently to 1844 as they were previously to 1844?—That was true on some occasions, but not true on others.

1978. Sir *F. Baring*.] The exchangeable value of gold would vary according to the supply and demand?—The exchangeable value of gold as a commodity would vary according to the supply and demand; but the exchangeable value of gold when gold is the standard, under the Mint regulations, can only be stated as manifesting itself by the rate of interest. An ounce of gold and 3 *l.* 17 *s.* 10 *d.* of currency are two things that must be equivalent.

1979. Supposing there were no other circulation than gold in the country, what would be the exchangeable value of gold; would gold as a commodity have a different value from gold as a circulating medium?—I imagine not; one ounce of gold would be worth another ounce of gold.

1980. Then the exchangeable value of gold would vary with the quantity that would be in the country at the time?—In that case the exchangeable value of gold is the same thing as the prices of commodities.

1981. The price of gold would vary according to the quantity at the time in the country?—Supposing an exclusively metallic currency, all other things remaining the same as to the quantities of commodities to be circulated and the number of transactions taking place, and the cost of production remaining the same, then I imagine it would be true that the prices of commodities, or (to use a somewhat unusual form of statement) the value of gold would vary according to its quantity; but it would be subject to all those modifications.

1982. Do you suppose that the coined quantity of gold would increase or diminish very much, other things remaining the same?—One would suppose, as far as one can judge *à priori*, that in such a state of things, where the whole transactions were carried on by means of this absolutely metallic medium, the quantity of this medium passing from hand to hand and passing from pocket to pocket, would be determined by the number of transactions to be performed.

1983. The transactions remaining the same, the quantity of gold would remain the same?—One would think so.

1984. That is to say, the gold actually coined would not vary much?—One does not see why it should; but I must be allowed to observe, that upon a purely metaphysical question like this, one can only answer under great reservation.

1985. But the prices would vary, not according to the coined quantity of gold, but according to the whole amount of gold in the country?—Always supposing that the supply of commodities remained unaffected, and that the cost of production remained unaffected, one would expect that the prices of those commodities really stated in gold would vary according to the total quantity of gold with which the commodities came in contact.

1986. A Bank of England note varies now according to the bullion circulation, does it not?—I do not know what is meant by "varying according to the bullion circulation." As far as I can see, and as I have had occasion to observe once or twice, the present mixed circulation of coin and paper varies and fluctuates, and adjusts itself just in the same way as a circulation exclusively metallic would do.

1987. In that case, am I right in supposing that the active circulation of notes in the hands of the public would represent the metallic coin which would otherwise circulate?—Yes, I think so.

1988. But would it represent the whole amount of gold or metal coin in the country at the time?—No; it would be only the quantity of gold and silver employed in the currency. There is a quantity of gold and silver represented by plate, and other commodities of that description.

1989. Would not that affect the exchangeable value of gold?—Yes; but gold is a commodity which, in that respect, differs from other commodities; and it is

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so easy to transfer plate into coin, and so easy to transfer coin into plate, that I think it would be true that it would not be merely the quantity of gold existing in the form of coin, but the quantity generally existing in the form of coin combined with other forms, which would determine its exchangeable value.

1990. Then, what would affect prices would be, the amount of gold, in whatever shape it would be, in the country at the time?—Yes.

1991. Supposing the country to be in close connexion with other countries, not only country A, but other countries to the end of the alphabet, would not the fluctuations affecting the amount of gold in those different countries affect, to a certain extent, the exchangeable value of gold or prices in that country?—So far as I understand the question, I think so.

1992. But the amount of coin and gold in the hands of the public, as coin, would very much remain the same, supposing the transactions remain very much the same?—I see no reason why that should not be so.

1993. Then, am I right in supposing that prices would be affected by the importation of gold into the country, although the issues from the Bank of England would remain exactly the same?—The question seems to suppose that in consequence of the increase of supply the quantity of gold has so increased as to no longer represent its former proportion. If that change took place, then I imagine the consequence would follow that is supposed in the question.

1994. If it is to be understood that the exchangeable value of gold and prices rise according to the quantity of gold in the country, of course if you bring in by the exchanges an accidental quantity of gold, that would affect prices, would not?—You must bear in mind that we are talking of a state of things which excludes everything but the mere carrying on of transactions by means of a metallic medium; we are excluding the supposition of carrying on transactions by all forms of credit. That is so purely a metaphysical case, that one must reason with great circumspection, and it must be subject to a great many qualifications.

1995. Of course it is only a hypothetical case; but would it not be so upon that hypothesis?—I should say it would not follow as a necessary result, that a mere casual increase of that kind will effect an increase of prices in country A, for example. We must suppose that the element of time would have a great effect. If the influx proceeded for a very long time, and proceeded to a very large extent, it is possible that one country might become enriched at the expense of others; but I do not think there is anything that would lead one to suppose that the mere casual transference of a comparatively small sum from one country to another would disturb the level of prices.

1996. Do you consider that, with a purely metallic circulation, if it were possible to have such a circulation, the exchanges by the increase or diminution of bullion would affect prices at all?—I think the prices would not be affected at all by a mere casual change of that sort; applying to the supposed case the principles which we know to prevail in modern commerce, because the oscillations of the exchanges are really confined within very narrow limits. Trade is not carried on by merchants for the purpose of conveying barren boxes of treasure from one country to another.

1997. You do not think that prices are affected at all by oscillations in the amount of bullion arising from the exchanges?—No, I do not. I think the small oscillations in the amount of bullion are not the causes which affect prices. The causes which affect prices are alterations in the cost of production, in supply and demand, and in the tastes and habits of large communities.

1998. But you think that if it continued long it must affect prices?—But I cannot suppose that it could be continued so long as to produce any great effect in the way of quantity or magnitude upon the currency. I am answering with reference to the practice of modern commerce.

1999. You do not conceive that any oscillations arising from the exchange of bullion are so great as at all to affect prices?—No, I think they would not.

2000. Then, I take for granted, that you consider the bank notes in the hands of the public as alone constituting circulation?—I have answered every question in this room upon that distinct understanding. The only thing I understand by circulation is, either notes of the Bank of England or notes of private or joint stock banks, circulating outside the walls of the establishment from which they proceed.

2001. The notes in the hands of the public and the notes in the hands of the bank, together with the small quantity of bullion which they have in their reserve,

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reserve, will represent the total amount of the bullion?—Those represent the bullion in the banking department.

2002. Supposing you had a metallic circulation, that metallic circulation would be equal to the notes in the hands of the public?—Yes.

2003. The bullion in the country would be represented by the notes in the hands of the public, together with any small quantity of bullion which was in the reserve of the Bank?—I can only consider as circulation that which is circulated, whether the term is applied to paper or sovereigns. That which is not circulated constitutes a reserve, not circulation.

2004. But I want to know what it is equal to; whether the amount of notes in the reserve of the Bank represents the bullion?—The notes in the banking department are held as matter of convenience in the form of notes, to represent bullion; and having that character, I always speak of them as constituting the bullion reserve.

2005. *Chairman.*] From a banker's point of view, you see no difference between deposits and notes, with respect to keeping a reserve against them?—None.

2006. But do you hold that there is no difference between deposits and notes, looking at the matter from a public point of view?—I think there is no difference, so broad and clear, and marked, as to admit of being made the foundation of a law.

2007. You do not think that the Legislature would be justified in exacting from a national establishment, such as the Bank of England, securities, with regard to the issue of notes, which they would not be justified in demanding with respect to deposits?—I am quite clear upon that point.

2008. You think there is no difference between the case of a note which is a legal tender, passing from hand to hand, and which is payable in discharge of a debt, and a deposit which the depositor creates by his own voluntary act?—As regards the circumstance of a legal tender, I am glad of an opportunity of saying, that I think it would be well, in these discussions, that that element should be left out of view. It is well known that in 1833, when the Bank Charter Act was introduced by Lord Althorp, a clause endowing the notes of the Bank of England with the privilege of legal tender was introduced, for purely technical reasons. The public had then very distinctly in its recollection, the inconveniences which had arisen in the internal panic of 1825 and 1826, from the difficulty which was then experienced by country bankers in getting down from London supplies of sovereigns, in time to meet the drain upon them, the public being quite willing to take Bank of England notes or sovereigns. If you refer to the Debates in 1833, you will find that Lord Althorp, and the Government of the day and the House of Commons, discussed the question of legal tender purely upon that point of view, and it was introduced purely upon those considerations of convenience. But I have always heard from persons who took a prominent part in those discussions, that there was no view beyond that.

2009. That may be a correct historical view of the origin of the clause making Bank of England notes a legal tender; still, finding that they are a legal tender, and adverting to that fact, do you think that there ought to be no difference between the treatment of Bank of England notes as they are at present, and the deposits in the Bank of England?—I think there ought to be no difference.

Veneris, 12° *die Junii*, 1857.

MEMBERS PRESENT.

Mr. Ball.
Sir Francis Baring.
Mr. Blackburn.
Mr. Disraeli.
Mr. Fergus.
Mr. Glyn.
Sir James Graham.
Mr. Hankey.
Mr. Hildyard.
Mr. Hope Johnstone.
Mr. Puller.
Mr. Martin Tucker Smith.
Mr. Spooner.
The Chancellor of the Exchequer.
Mr. Tite.
Mr. Vance.
Mr. Weguelin.
Mr. Wilson.
Sir Charles Wood.

THE RIGHT HON. THE CHANCELLOR OF THE EXCHEQUER, IN THE CHAIR.

John Stuart Mill, Esq., called in; and Examined.

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2010. *Chairman.*] HAVE you had occasion to consider the provisions and the operation of the Bank Act of 1844?—As much so as any person can do who has no practical acquaintance with commercial business, and knows only at second hand facts which are known at first hand by those concerned in business.

2011. In the first place, what is your opinion as to the policy of imposing by law any restriction upon the Directors of the Bank of England with respect to the issue of notes?—My opinion is that there should not be any restriction by law, except that of convertibility, which appears to me to be sufficient for all the purposes for which restriction is intended.

2012. Are you aware of the nature of the limit which Mr. Tooke has proposed in his book with respect to the bullion reserve of the Bank?—Mr. Tooke, I believe, proposes what cannot possibly be imposed by law, namely, a limit which should consist in the Bank's retaining a much larger average reserve than it has hitherto done, an average reserve of 12,000,000 *l.* Public opinion might enforce a restriction of that sort, but it is incapable in its terms of being enforced by law.

2013. Does not he recommend that it should be made to depend upon an agreement with the Government, that they should have a discretion as to relaxing the limit, if they thought fit?—I was not aware that he had recommended that there should be any positive minimum, but I know he recommends that the Bank should keep an average reserve of 12,000,000 *l.*, which of course would be kept for the purpose of being allowed partially to run out when necessary. Now, the difficulty would be, how to bind the Bank otherwise than by general considerations of policy.

2014. If the Bank were in any way bound to keep an average amount of bullion, would not the effect be that if the reserve was below that average in certain times, it would be necessary that the Bank should keep more than the average at certain other times?—Yes; there might be an honourable understanding to that effect, but I do not see how it could be anything more.

2015. Would there be any advantage in a rule, which required the Bank to keep more than was necessary at certain times, because it had kept less than was desirable at other times?—It is desirable, I think, that the Bank should keep a larger reserve than the average at some times, as well as a smaller at others, in order to prevent the Bank, at times when there is a tendency to over-speculation, from encouraging that tendency by making loans at a much lower rate of

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interest than the average rate. I am not prepared to say that I would impose on the Bank any compulsory rule in respect to the amount of its reserve. It might probably be better done by fixing a rate of interest below which they should not be permitted to lend. I am not giving an opinion in favour of any restriction, but if any were necessary, I think that would be the best restriction to impose.

2016. At present, the Bank of England are not required by law to keep any fixed amount of bullion?—The Bank is not required to keep any fixed amount of bullion. The only restriction is, that the Bank cannot issue notes beyond a certain amount, except on bullion; therefore, under the Act, for all the notes which they issue beyond that amount, they have a corresponding quantity of bullion in their coffers.

2017. Under the present law, if the circulation of the Bank did not exceed 14,500,000 *l.*, it would not be required to keep a single sovereign in its reserve?—No.

2018. Therefore, a limit such as Mr. Tooke proposes, would tie up the hands of the Bank much more than the limit fixed by the existing law, would it not?—I do not know whether it would tie them up more or less, but it would tie them up more usefully, and less hurtfully.

2019. Then your opinion is, that if a limit is to be fixed by law, it would be better to fix it on some such principle as that proposed by Mr. Tooke than on the principle embodied in the present Act?—Decidedly.

2020. Have you observed the operation of the present Act in such a manner as to enable you to form any opinion whether the mode of fixing the limit which the Act prescribes has worked well, or in a mischievous manner in practice?—I think it has worked well in one particular case only; viz., in a certain stage of a period of over speculation and over trading. At all other times I think it has either had no effect at all, or a bad effect.

2021. Do you believe that the effect of the present law has been to induce the Bank Directors to keep a larger reserve of bullion than they would otherwise have kept?—To give any answer to that question which would be of use, it would be necessary to enter into particulars. It would be necessary first to distinguish between the two departments of the Bank, the issue and the banking department.

2022. But taking the bullion of both departments as a whole, do you think that the Bank has kept a larger reserve of bullion since 1844 than it would have kept if the Act of that year had not passed?—Taking both branches together, I would not undertake to say; but this I will undertake to say, that under the Act the Bank has kept a much less reserve of bullion than the Act makes necessary, because I think it can be shown that in order to prevent the Act from operating very perniciously in certain cases, it would be necessary that the banking department alone should keep as large a reserve as, but for the Act, need have been kept in both departments together.

Vide Appendix, No. 15, p. 148.

2023. Will you be so good as to cast your eye over that Table (Paper No. 19, Appendix), and to say whether, comparing the greatest and the least of the average amounts of bullion in the 10 years before 1844 and in the years since 1844, it does not appear probable that the operation of the Act has been such as to induce the Bank to keep a larger bullion reserve than it would have kept if the Act had not been in existence?—This Table leaves no doubt that they have kept a much larger reserve than they kept previously to 1844; but whether larger than they would have kept, in consequence of the increased knowledge of the subject which now exists, if the Act had never existed, I cannot say. I think the tendency of the opinion of competent persons of late years has been in favour of the necessity of keeping a much larger reserve than was formerly thought necessary; and the circumstances of trade have really required a larger amount of reserve, because the great increase in the magnitude of transactions, and particularly the unexampled drains of bullion which have occurred, have rendered it necessary to keep a larger reserve in order to meet those drains.

2024. If the change in the practice of the Bank had taken place in consequence of a change of opinion on the part of the Bank Directors, in the exercise of their discretion, would it not have been likely that the change would have been gradual, whereas it appears from that Table that the change was sudden, and took place exactly in the year 1844?—In the years 1844 and 1845 there was a great

great quantity of gold coming into this country, therefore there would naturally have been a much larger quantity of bullion in the Bank at that time than there was before; and after 1847 the change of opinion had begun, because the drain of that year was such as had never been known before.

2025. Then your opinion is that, as respects the total amount of bullion found in the Bank, in both branches, its quantity has not been affected to any considerable amount by the operation of the Act of 1844?—I do not give any opinion on that subject; I am not prepared to say either that it has or that it has not.

2026. You expressed an opinion that the operation of the Act of 1844 had been detrimental in causing the Bank to keep an unnecessary large amount of bullion in the banking department?—Not in causing them to do so. If it had really caused them to do so, I think the Act would not have been so mischievous as it has been. It is precisely because, to make their position safe under the Act, or to make the Act work well, it would have been necessary for them to keep a much larger reserve than they did, that I think the Act has worked mischievously. Those who framed the Act do not seem to have adverted to what may be called the double action of drains. They provided against drains, just as if drains acted upon the issue department only. Now every drain, as a general rule, is drawn from the deposits. Therefore, when the two departments are separated, the drain comes first on the deposits. Notes are drawn out of the deposits, and those notes are presented to the issue department to obtain bullion for exportation. The consequence is, that supposing there is a drain of 3,000,000 *l.* only, the effect on the Bank previously to the Act would have been that of a drain of 3,000,000 *l.*; but now, when the two departments are separated, and neither of them can in the most extreme case help the other, the effect on the Bank is the same as if there were a drain of 6,000,000 *l.*, because the banking reserve is diminished 3,000,000 *l.*, and the issue department has parted with 3,000,000 *l.* of gold from its reserve also. Now, it appears to me that one convertible currency differs from another mainly in the degree in which it tends to produce frequent and violent revulsions of credit; and inasmuch as all the circumstances which lead to revulsions of credit, operate upon the banking department of the Bank of England before they can get to the issue department, the violence of the shock is almost always first felt by the amount of reserve available to meet the demands on the banking department. If, therefore, the Bank cannot help its banking department by sending notes or gold from its issue department, it must either keep in the banking department as great a reserve as it would otherwise be requisite to keep for both departments together; or if not, having a much smaller reserve available to meet the demands on the banking department, it must necessarily, the moment there is the smallest drain, contract its discounts and raise its rate of interest. It thus appears to me that the effect of the Act is, that whenever any drain, however small or temporary, commences, the Bank will be likely, with its present reserve in the banking department, at once to contract its discounts, or to sell securities, in a manner which, if the Act had not existed, it would only do in the case of a very considerable drain.

2027. Are you of opinion that the separation of the two departments has an influence upon the Bank's rate of interest?—A very great influence. I should think that it produces much more violent and frequent fluctuations in the rate of discount; and there is no doubt that the variations have been much more frequent, in point of fact, than they were before.

2028. Do you hold that the Bank rate of discount determines the general rate of discount in the market?—No; not that it determines it, but it is certainly a very important element in determining it, because the Bank is so large an establishment, and its loans form so large a portion of the total amount of loans.

2029. Mr. *Puller.*] Do you say that the variations have been in the Bank rate of discount, or in the general rate of discount?—In the Bank rate of discount.

2030. *Chairman.*] Is it your opinion that the separation of the two departments, created by the Act of 1844, is prejudicial, as well as the fixing a limit upon the issues?—Yes; I think the separation of the two departments is the most prejudicial part of the whole. I think the fixing a limit to the issues is

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also prejudicial; but I may perhaps be permitted to explain what I said on this point in answer to a former question. I do not think the effect prejudicial in all cases; I think it useful in one particular case; I think it is useful at a certain stage in the progress of a revulsion of credit which has been the effect of a previous over extension of it.

2031. In what way do you think it operates well in those circumstances?—In this way. One particular kind of commercial crisis, and perhaps the worst kind, is occasioned by previous over speculation and over trading, which is always accompanied by an undue extension of credit, and by a rise of prices of a speculative character, having no sufficient justification in the circumstances of the markets. Now when this is the case, there must necessarily come a revulsion, which is normally brought about by an increase of imports owing to the rise of prices, and by a diminution of exports. That produces a drain of bullion and a collapse of prices, and this collapse of prices is generally brought about by the necessity which the speculators are in of selling in order to fulfil their engagements. Now this speculative rise of prices, I apprehend, is usually attended by an increased quantity of bank notes. It does not follow that it is caused by it, because the speculative purchases generally take place on credit for a certain term; and even if they did not, the transactions between dealers are generally not liquidated by means of bank notes. However, there comes a time in this series of phenomena when the dealers begin to be pressed, when the rise of prices has stopped, but when the speculators do not yet despair of their rising again. At such a time there are generally great applications to bankers for loans, in order to enable the speculators to hold on; and I think the effect of the Act of 1844 is to prevent them from getting those loans to the extent to which they might do but for the Act. And I think that very often the speculative rise of prices is upheld, and has been upheld, as a matter of history, by loans which the Bank of England and other banks have made to merchants and holders of goods, the effect of which has been to prevent them from being under the necessity of selling so soon as they otherwise must have done. The consequence of this is, that the fall of prices is retarded, that the drain of gold continues longer, and that therefore the reserve of the Bank comes nearer to being exhausted; and when the time comes that they are really alarmed about their reserve, they are obliged to pull up more suddenly, and to make a greater reduction of discounts or a larger sale of securities than they otherwise need do, and thereby produce a greater alarm, sometimes amounting to panic, and a greater destruction of credit in the country, and the whole thing is rendered more calamitous than it otherwise would be. In that case, I think, the provisions of the Act do good, because there is no doubt that before the Act existed, the Bank used often in such cases to make loans by the reissue of notes which had been returned to it in exchange for bullion. This appears to me to be the great advantage of the Act; but against it there are two things to be set. One is, I do not think that this mode of operation is so much required now as it perhaps was at one time, because the commercial public generally, and the Bank Directors, understand much better than they did the nature of a commercial crisis, and the extreme mischief which they do both to themselves and to the public by upholding over speculation, and I do not think that they at all need the provisions of the Act in order to induce them in that case to conduct themselves as the Act would make them. In the next place, I think that if in the first stage of this process the Act operates usefully, it operates exceedingly injuriously in the latter stage; that is to say, when the revulsion has actually come, and when, instead of there being an inflated state of credit, there has been an extraordinary destruction of credit, and there is nothing like the usual amount of credit that there is at other times. At such a time the Bank can hardly lend too much; it can hardly make advances to too great an extent, as long as it is to solvent firms, because its advances only supply the place of the ordinary and wholesome amount of credit, which is then in deficiency. But the Bank, under the operation of the Act, can only make those advances at such a time from their deposits. Now it is very true that the deposits are likely to be large at those times, because at those times people leave their money in deposit; they leave it within call, to be able to have it at any moment when they want it, and therefore the Bank deposits are larger than usual. But still this resource is not sufficient, as was proved in 1847, when the Bank Directors, after doing the very utmost which they could do from their deposits to relieve the distressed state of trade by advances to solvent firms, were obliged to go

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to the Government to ask for a suspension of the Act, and the Government were obliged to grant it.

2032. Is it your opinion that the measures of the Bank, during the last two years with respect to high rate of discount and the duration of bills, have been more restrictive than was judicious?—I think the Bank has acted on the principle which was laid down for them by great authorities at the time when the Act of 1844 was passed, viz., that in the management of their banking department they had nothing whatever to consider but their interest as a bank. I think they have taken that view of their position. They have thought, therefore, that they were not under the necessity of keeping a much larger reserve than ordinary banking principles required. I think they at first began, after the Act of 1844, to act entirely upon that principle; they took the word of Sir Robert Peel, the author of the Act, anything they did as mere bankers, in the management of their deposits, was no concern of the public, but only their own concern. I think that in 1847 that error was, to a great degree, corrected. I think that since that time the Bank have been quite aware, and the public have been aware, that that view of the theory of the Act of 1844 is not sustainable; and that an establishment like the Bank is not like other bankers, who are at liberty to think that their single transactions cannot affect the commercial world generally, and that they have only their own position to consider. The transactions of the Bank necessarily affect the whole transactions of the country, and it is incumbent upon them to do all that a bank can do to prevent or to mitigate a commercial crisis. This being the position of the Bank, and the Bank being much more aware of it since 1847 than they were before, they have not acted so entirely as before on the principle that they had nothing to consider but their own safety. Still, however, as bankers, they have not kept in the banking department the whole reserve necessary to meet a drain, and being obliged, as bankers, to consider the solvency of their banking department, they have been obliged to vary their rates of discount more violently and more frequently than they did before; which, I think, is owing to the Act.

2033. Do not you believe that, although the law requires the accounts of the Bank to be kept in a certain form, and to be exhibited to the public as partly in the banking department and partly in the issue department, the Bank Directors who manage both look at them as a whole, and consider the bullion in both departments as one quantity?—I think that if they do so, they commit a very great mistake. They have to consider, on the contrary, that each of their two reserves is now liable to all the demands to which the joint reserve was liable before. The reserve of the Bank can only be acted upon to any great extent by a drain of bullion. When this drain of bullion took place before the Act of 1844, they had a single reserve, and if that reserve was sufficient to meet the drain, it was enough; but now the drain acts doubly, first on the banking reserve, and afterwards on the reserve in the issue department. Therefore, it seems to me that, in order that there might not be more violent fluctuations of credit than before, it would be necessary that they should now have in each department as large a reserve as previously sufficed for both.

2034. Then you believe that the Bank Directors administer the Bank as if the issue and the banking departments were not only legally but practically distinct?—Certainly, I think they are practically distinct. I think the fact that under no circumstances can the issue department afford either notes or coin to the banking department, makes them as completely distinct as if they belonged to separate establishments; and it is undoubtedly the intention of the Act that they should be as distinct as if they belonged to separate establishments.

2035. Are you of opinion that if the Act of 1844 had never passed, the Bank rates of discount would have been lower during the last two years than they have actually been?—I do not know whether they would have been lower; I think they would have fluctuated less; I think they have been both lower and higher than they would have been but for the Act.

2036. If you compare the rates of discount on the Continent during the last two years, do you not find that they bear a very close resemblance to the rates of discount in this country, and that whatever difference there is between them is in favour of this country, and not against it?—The commercial world is so much one world now, that whatever acts upon one country acts upon another.

2037. Then if we find that there is an uniform rate of discount in London and Amsterdam and Paris and Hamburgh, inasmuch as the Bank Act of 1844 is not

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in force on the Continent, does not that rather raise a presumption that the rate of discount in London is independent of that Act?—It does not follow that the Act may not, by operating on so important a market for securities as the London market is, have influenced all the other markets also. In fact, it could not materially affect the English market without affecting in something like a corresponding degree all others, because securities of an equal degree of safety in one country cannot fall below their rate in others without attracting capital to buy them from other countries.

2038. That answer assumes that the Bank of England has very great power over the rate of discount in this country?—I do not think that in ordinary times, either the Act or the operations of the Bank have much influence on the rate of interest, but only that under the Act the Bank is obliged to follow the variations in the rate of interest much more closely than it otherwise would do. The occasions on which the operation of the Act seems to me to be decidedly mischievous, are those cases of drain which do not arise from previous over speculation; such as those arising from a great import of corn, or a greatly increased price of raw materials of manufacture, such as cotton, or great foreign remittances by the government, or exportations of capital.

2039. You know that the Act of 1844 imposes a limit upon the issues of all country banks which existed in that year, founded upon an account taken of their circulation, and that it also prohibits the establishment of any new banks of issue in England. Do you approve of that regulation?—I do not think it is of very much consequence whether there is one bank of issue or many in the country. It seems to me quite a minor question; but inasmuch as there have always been many, and I believe the local feeling is always in favour of having many, it probably is desirable that there should be.

2040. The Act of 1844 seems to have contemplated the voluntary extinction of country banks of issue in England, does it not?—Yes.

2041. Hitherto the operation of the voluntary clause has been but limited; do you think it would be desirable to accelerate its operation by taking stronger measures for either suppressing or diminishing the issues of country notes in England?—I see no reason for thinking so.

2042. Does it appear to you that the law at present is in a satisfactory state with regard to country banks of issue in England?—Not in a satisfactory state theoretically, certainly, because it is grounded on a principle which it does not carry fully out; but as I think the principle a wrong one, I am not desirous that it should be carried out.

2043. Then you would be in favour of removing the present restriction upon country issues?—I would remove it both from the Bank of England and from all other banks.

2044. Does it appear to you desirable that the country banks in England should have a power of issue unlimited by law, and limited merely by the convertibility of the note, and that they should not be required to issue against either securities or bullion to any extent?—As far as excess of issues is concerned, I think there is no reason for any restriction. There might be a reason in consequence of the probability of insolvency, which is not to be apprehended in the case of the Bank of England. There have been lately instances of such gross mismanagement and consequent insolvency of banks, that I cannot give a positive opinion against requiring special security to be given for the notes; but I am not inclined to think that it is necessary, now that there are no small notes. As long as there are no notes in England below 5 *l.*, the probability is that the holders of 5 *l.* notes can as well take care of themselves as the depositors, who have generally been the greatest sufferers by those mismanagements.

2045. Do you think that there would be any advantage in the issue of any denomination of notes under 5 *l.*, in England?—I think it is much better that there should be no notes below 5 *l.*, because this retains a quantity of gold in the country which may be used to replenish the banking reserve in case of necessity, without waiting for the slower process of its importation. Besides, 1 *l.* notes are liable to be used in the payment of wages, and a currency which is used in payment of wages is much more liable to produce evils from over issue, than any currency which is only issued to the mercantile public.

2046. Then

2046. Then, on the whole, your opinion is in favour of maintaining the present law with respect to the denomination of bank notes in England?—Yes.

2047. What would you say with respect to the expediency of a single bank of issue, either for England or for the whole country?—The principal advantage of it would be, that the profit of the issue might be to a great degree secured by the public. I do not think that as to the working of the currency, it would make any material difference whether it came from one issuer or more.

2048-9. Is it your opinion that the profit to the public of a bank of issue would be considerable, or that there would be any profit at all, assuming that it was a bank of issue and nothing else?—Supposing the wants of the country require 30,000,000 *l.* of notes, and those were supplied by the public, the public would obtain a loan to that amount without interest; that is the extent of the advantage that the public would gain.

2050. But then you would have to set against that advantage to the public the expense of the establishment and the expense of management?—Yes.

2051. Would not the nation be obliged to establish a great number of branch banks?—Yes, certainly.

2052. Is it your belief that the expenses of the central establishment in London, together with the expense of a large number of branches in the country, would not be greater than the profit derived from the issue of the paper?—It is not so, I presume, in the case of the Bank of England, although that does not supply the whole country.

2053. The Bank of England has a banking business besides its business of issue?—Yes; but I presume that it derives profit from its business of issue, and that it would not be in a better position pecuniarily if it were not permitted to issue.

2054. Is it not conceivable that the Bank of England may derive profit from the issue business and the banking business combined, when it might derive no profit from the issue business separate from the banking business?—If an establishment which has the power of lending 30,000,000 *l.*, for which it pays nothing, cannot make that a source of profit, I cannot conceive how money-lending can, under any circumstances, yield a profit.

2055. You are of opinion that the only benefit which the public would derive from having a single bank of issue in the hands of the Government would be the profit of the circulation, and nothing else?—Nothing else.

2056. As far as the management and control of the circulation itself is concerned, you think that would be as well left in private hands?—Yes. I would add, that if it were thought that there should be only one bank of issue, I do not think that bank of issue should be the Government itself. I think the currency should not be provided by the Government, but by such an establishment as the Bank of England, the public making a bargain with it for so much of the profit as they thought they could reasonably require.

2057. With regard to Scotland and Ireland, you are aware that in Ireland and Scotland the same law prevails as in England with respect to the country banks, but that the banks can issue against bullion in excess of their fixed circulation?—In that respect they are in the position of the Bank of England, not in the position of the English country banks.

2058. Only that their limit is fixed upon their average circulation, and they are not required to hold securities against the fixed credit circulation?—I have not paid any particular attention to the Scotch and Irish Acts, and I would rather not give any opinion upon them.

2059. Do you approve of the action of the Acts with regard to Ireland and Scotland?—I apprehend that the Acts with respect to Ireland and Scotland have for their object and effect to extend to those countries, making allowance for local circumstances, the provisions of the Act of 1844; and as I think that the Act of 1844 is more hurtful than useful with respect to England, I think that the Scotch and Irish Acts are so too.

2060. In Ireland and Scotland there are notes under 5 *l.* circulated; do you approve of allowing 1 *l.* as capital to continue to be circulated in Scotland and Ireland?—I believe that in Scotland it is perfectly safe; that there are no failures of banks there, or very rarely, and that if they did happen the notes would probably be taken up by other banks. Therefore I do not believe that there is there that danger of insolvency which constituted so great an evil in the case of the poor holders of 1 *l.* notes when they existed in England. And that being the case I think

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I think it very likely that 1 *l.* notes may do more good than harm in Scotland. In Ireland probably it is the reverse, because there are bank failures, sometimes of a very bad kind.

2061. Mr. *Vance.*] Are you not aware that the joint stock banks in Ireland possess a very large capital, and that they are in a high state of solvency at the present moment?—Yes, I believe so; and I believe the same is the case with the joint stock banks in England. At the same time we know that there have been, both in England and in Ireland, very bad cases of insolvency of joint stock banks, and it is to provide against those exceptional cases that it seems to me necessary to have some restriction on 1 *l.* notes.

2062. Do you think you are justified in saying that the Scotch banks are in a higher position of solvency than the Irish ones at the present moment?—I do not mean to say that the Irish banks are generally less solvent; but it is the fact that nobody has lost anything for a long while, I believe for a century almost, by the non-payment of notes of Scotch banks. I believe that cannot be said to the same degree of the Irish.

2063. What failures do you refer to in Ireland?—The Tipperary Bank is the most notorious instance.

2064. Are you aware that the Tipperary Bank was not a bank of issue?—I was not aware of that; but I do not know that if it had been a bank of issue, it would have been on that account the less liable to fail, or the less liable to be mismanaged.

2065. Have you a recollection of what bank failure has taken place in Ireland previously to that of the Tipperary Bank?—I have no particular recollection on the subject. I know so little about Irish banks, that I would rather not be asked for an opinion upon them. What I said was merely that I might not be supposed to speak of the Irish banks as I did of the Scotch, and not from a wish to say anything against the Irish banks; which I have no ground for doing.

2066. Sir *Francis Baring.*] You stated that you objected to an issue of 1 *l.* notes, because it was more liable to over-issue. What do you mean by over-issue?—In order to explain that, it is necessary to go into some particulars. I think that as long as the Bank confines its advances to merchants and general dealers, to what is called the mercantile public, people who deal in goods but who do not pay wages, its issues never originate a rise of prices, because a dealer only uses notes for the purpose of fulfilling previous engagements. Dealers never make purchases in the first instance with Bank notes; the dealers to whom Bank notes are paid usually either send them into deposit, or pay them to persons who send them into deposit. But the operation is different when advances are made to manufacturers or others who pay wages. When that is the case, the notes do or may get into the hands of labourers and others who expend them for consumption, and in that case the notes do constitute in themselves a demand for commodities, and may for some time tend to promote a rise of prices; and when they do so, and there is not any other cause for that rise of prices than the issue of notes, that constitutes over-issue, that is to say, an issue that will be followed by a revulsion.

2067. In that case the Bank would have been the moving power to raise the prices?—The notes would have been the moving power to raise the prices: but that I do not think is ever the case now.

2068. Mr. *Tite.*] I understand you to say that you attribute to the operation of the present Bank Act, the sudden and rather violent fluctuations in the rate of interest which have occurred of late years?—I think the natural effect of the Act is to necessitate more frequent and more violent fluctuations in the rate of interest than would otherwise take place.

2069. That in your opinion is due to the division into the issue department and the banking department, and the necessity involved of keeping up two reserves?—Yes; there is a double action of drains, which, instead of acting upon the joint reserve, act to their full extent, first upon the one, and then through that upon the other.

2070. Is it your opinion that the Bank should in any manner be limited to a minimum rate of discount according to the practice that existed before the passing of the Act of 1844?—I think that since the Act of 1844, the Bank have lowered their rate of interest very unnecessarily and undesirably, at times when they might have foreseen that the low rate of interest would not last, that the

the then replenished state of their reserve which induced them to lower the rate of discount was only temporary, and that there would soon be a demand on their reserve again. I think the Bank has several times made that mistake. Whether it would be desirable to cut them off from ever lowering their rate of discount below a certain rate, is a question upon which I have not made up my mind.

2071. You are not able to say whether or not they should be fettered in the discretion which an ordinary banker exercises of doing as he pleases with his own money and taking any rate of interest that he thinks fit?—I think that the Bank, as being a great public body, exercising public functions, cannot in all respects be properly guided only by its banking interest. Whether it should be subject to restriction by law in this particular I do not know; but I think that it cannot rightly be governed by its pecuniary interest, in circumstances in which a private banker might reasonably be so; that the Directors ought not always, when the market rate of interest is temporarily low, to conform their rate to it, but rather to allow their reserve to accumulate at those times, in order not to minister to a spirit of speculation, which a low rate of interest does.

2072. I understood you to say, that all that you would seek with regard to a change in the law, under which the management of the Bank is now conducted is, that there should be a sort of understanding that the capital of the Bank should range from 10,000,000 *l.* to 12,000,000 *l.* on the average?—Something like that.

2073. What would be the enactment you would propose?—There is a distinction to be drawn between two kinds of drains. One may be called an unlimited, another a limited drain. A drain occasioned by a revulsion from a state of over-speculation is in its nature unlimited; unless there be something done to stop it, it will go on. If the high state of prices, occasioned by an inflated state of credit, continues, the drain will continue; and it can only be stopped when the high prices have ceased by a diminution of the currency, or a diminution of loans. But the case is different with all other drains; for instance, a drain occasioned by payments for the import of corn, or by foreign payments by Government, or the exportation of capital for foreign investment. That drain stops of itself as soon as the purpose is effected which caused it; and, therefore, it seems to me that the reserve should always be such as may be equal to the probable demand on account of a drain of this sort; and that in the case of such a drain, bullion may be allowed to run out from the reserve, without any violent action on credit to stop it. For that reason it seems to me necessary now, when drains to a large amount are liable to arise from causes of that sort, that the Bank should keep habitually a much larger reserve than it used to keep, in order to meet a drain.

2074. That seems to involve a sort of foreknowledge on the part of the Bank as to how long a drain is to continue; but, with knowing that, surely they must exercise some power of controlling it?—Of course they have that power; and they may in any case be obliged at last to contract their discounts; but if they have a large reserve, and if, from the circumstances of the times, and from the knowledge which they have, and which the public have, of the causes producing the drain, they think that the drain that is existing is of the one kind, and not of the other, they will act accordingly. If they find that the drain exceeds their provision for it, notwithstanding their having kept so large a reserve, then they must take measures to replenish their reserve; but the effect of this would only be, that they would be then obliged to bring on the public in a smaller degree, and at a later period, inconveniences which, under the present system, they must bring on at once, and much more frequently, and in a much greater degree.

2075. I understand you to say that you would recommend the Committee to return to the provisions of the law as it was before 1844, only with some understanding as to the amount of the reserve that the Bank should keep?—That would be my idea. Although, as I have already stated, I think in the commencement of a revulsion from a state of over speculation the Act at times has operated beneficially, yet I am of opinion that with the experience that we now have, and the principles on which the Bank of England is likely to continue to act, even if the Act were repealed the Directors would probably do spontaneously, in that particular case, what the Act now compels them to do; that is, they would not reissue notes sent back to them in exchange for bullion.

2076. With regard to relieving their reserve by the sale of securities, do you think

think that much could be done in that way in the event of a drain?—It could be done. The effect of it upon the money market would be the same as that of a refusal to make advances, because the money paid by the buyer of those securities would be so much withdrawn from the loan market.

2077. You spoke of an issue of 30,000,000 *l.* of money as being in the nature of a loan. Supposing it were issued by one body, and that body the Bank of England, is it possible to state approximately what the profit of the loan might be; would it be 2 or 2½ per cent., or any other appreciable per-centage?—The value of the difference between getting a loan for nothing and having to pay interest upon it, of course depends upon what the rate of interest at the time might be, and it must be different in every different condition of the money market. I think it is fair to take it at the lowest rate; it may perhaps be taken at 3 per cent.

2078. Then the first element of the profit would be the market rate of interest of such a loan, against which would have to be set the expense of the establishment and the machinery necessary for the issuing of the money?—Yes, the expense of management.

2079. Three per cent. on 30,000,000 *l.* would be 900,000 *l.*?—Yes, which is not a very great object to a great country.

2080. Do you imagine that although these principles are tolerably accurate theoretically, in point of fact there are no disturbing elements in their consideration?—There are disturbing elements in almost every question relating to commerce, but what they are in this case I do not exactly see.

2081. In point of fact you do not know what profit the Bank do make out of the issue which is placed in their hands?—No.

2082. Does your position in the East India House give you any opportunities of knowing the amount of the exportation of silver which has been going on for some years past to India and China?—I am not acquainted with the details; but I have seen a calculation which makes out that for a certain number of years the average export of silver to India has been 6,000,000 *l.* sterling.

2083. That amount of drain is in excess of commodities brought back?—Yes; it is a payment for commodities imported from England, and it is probably in a great measure the result of the great gold discoveries; the gold discoveries having raised the price of silver in many countries in Europe beyond the mint valuation as compared with gold; and having thus made gold the standard in those countries, and the medium of payments. For instance, in France gold was always at a premium before the gold discoveries, and therefore silver was practically the standard; but since the gold discoveries, gold has practically been the standard, because it has been cheaper to pay debts in gold. Therefore the gold coinage has immensely increased in France, and has taken the place of silver; which silver having retained its bullion value in reference to commodities, became an advantageous remittance.

2084. What is your notion as to the cause of what is called popularly the drain of silver which has been going on to the extent of 6,000,000 *l.* annually to India?—The cause is the great increase of production and exportation from the East, and the habit of the people of India of hoarding. A large portion of whatever increase of wealth comes into the hands of a native of India, he usually either hoards, or if he expends it, he expends it in ornaments, which are generally silver ornaments, and hoards it in that shape. In fact, the reserved funds, similar to those which a person in this country invests at interest, are generally by a native of the East converted into ornaments; and therefore, any increase of money payments, from any other country to India, usually, to a very great extent, takes the form of ornaments; the remainder being mostly hoarded as treasure. Now, as the currency of India is mainly silver, at present they hoard in silver chiefly; but, no doubt, if they had a gold currency, they would be as ready to hoard in gold, and there would still be a considerable swallowing up either of gold or silver in the East, just as there always has been since the beginning of history. The general tendency from the earliest period was a flow of the precious metals towards the East, not from it, on account of this practice of hoarding.

2085. Then this practice of hoarding is no new practice?—It is no new practice, but it is a very general practice. Everybody who has the means of hoarding does hoard, and whenever they get more they hoard more.

2086. Mr. *M. T. Smith.*] Has not the price of the great articles of production

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tion in the east risen very much throughout Europe, more particularly sugar, indigo, silk, and spices?—Latterly.

2087. Is not it natural that an increased quantity should be sent to this country on account of the increased price in these markets?—Yes, but I think the drain to the East had commenced before this rise of price happened in either sugar or silk.

2088. But not to the extent to which it exists at this moment; not to the extent of 7,000,000*l.* or 8,000,000*l.*; but of course the best that goes is from England?—It is natural to suppose that the rise of prices must cause a much greater debt to be due to India.

2089. Is not it equally true that the same cause, namely, an increased production of gold in Australia and California, which has caused a rise in the prices of Asiatic goods in this country, has also caused a rise in the price of manufactured goods in this country, and has thereby prevented the same quantity of manufactured goods going back to India in return for the productions imported from India as used to go before?—It is so unsettled a point yet, to what extent general prices in this country have been raised by the gold discoveries, that I should hardly feel able to answer that question.

2090. Should you be disposed to attribute the increased efflux of silver from this country to India to the increased production in India, stimulated by the higher prices in this country?—Yes, I should think so, or at all events to the increased production, and the greatly increased importation from India; which naturally produces a great balance of trade in favour of India, unless there were an equal demand there for English goods, which there is not.

2091. Is not that, in a great degree, on account of the prices being higher than they used to be?—Opinions differ on that subject.

2092. Mr. *Charles Wood.*] Do you conceive that there is a much greater quantity of goods coming from India either to England direct, or to other countries through England, than the quantity which is sent from this country to India; so that there is a balance of trade against this country, which is sent in bullion?—Yes; that is the normal state of affairs between this country and India.

2093. Do you conceive that that has been increased of late years?—Yes, I think it has.

2094. Then there has been of late years a necessity for sending a larger quantity of bullion to India than was the case in former years?—Yes.

2095. Do you conceive that the demand for expenditure on railways in India has much to do with the necessity of exporting bullion from this country?—The export of capital, for the purpose of constructing railways, must have contributed to it.

2096. Do you suppose that that is the case to any great extent?—The amount of capital which has gone from this country to India for that purpose is already considerable. Of course that is, so far, an addition to the export of bullion.

2097. Do I rightly understand you to say that you attribute the necessity of sending silver partly to the demand in India for that metal in preference to gold, and partly to the diminished value of gold as compared with silver in Europe?—Yes.

2098. Do you suppose that a considerable portion of the export from this country to India, for the purpose of railways, has gone out in iron-work and other materials for the construction of railways, rather than in coin?—A great deal of it, no doubt.

2099. Do you suppose that the quantity of coin and bullion sent to India for the purpose of the construction of railways has been of very considerable amount?—I am not able to say; I have not made myself acquainted with those particulars; I have no practical acquaintance with that department of Indian affairs, and I have no other knowledge of it than anybody else has.

2100. Sir *Francis Baring.*] You do not know whether the quantity of silver has increased considerably?—It must have increased considerably by the continued import. It is known from the returns that there has been a very great importation of silver into India, but where it goes is only matter of speculation. It is generally supposed to go into hoards; it has not told upon prices there to the degree that might have been expected.

2101. Sir *Charles Wood.*] Do you recollect the circumstance that at a period of

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of great commercial distress in Madras the natives sent in their silver ornaments to be coined?—I believe such things have happened. Money which goes into the form of ornaments, and is hoarded in that form, is brought out when there is a high rate of interest, and goes back again when the rate of interest falls.

2102. You stated that in your opinion the variations in the rate of interest charged by the Bank of England had been increased by the operation of the Act of 1844. In what way do you attribute that effect to the Act of 1844?—In this way. At present all drains operate, in the first place, upon the banking department of the Bank of England. As the private bankers now keep the bulk of their deposits at the Bank of England, the deposits at the Bank of England comprise the bulk of the disposable capital of the country, the bulk of that which is available for exportation in case of a drain of bullion for that purpose. Hence, whenever there is a drain, this drain operates in the first place on the reserve of bullion in the banking department. As long as the banking department and the issue department were one, the whole reserve of the Bank was available to meet these demands on its deposits; and so it would still be, notwithstanding the separation of the departments as a matter of account, if in an extremity the issue department was allowed to come to the assistance of the banking department; because in that case, supposing, for example, that 3,000,000 *l.* were drawn out of the reserve of the deposit department, the Bank, instead of selling securities, or contracting its discounts in order to replenish its reserve, would simply transfer the necessary number of millions from the issue department, either in notes or in gold, to the reserve of the banking department; not for the purpose of lending it to the public, but simply to meet the demands of its depositors if they should continue to draw their deposits out. In that case, therefore, the Bank would not be obliged to take immediate means for contracting its credit in order to replenish its reserve; but now it must. The Bank is now exactly in the position, with regard to the solvency of its banking department, that it would be in if the issue department were annihilated altogether. The Bank is obliged to depend for the solvency of its banking department upon what it can do to replenish the reserve in that department; and therefore as soon as it finds that there is any drain in progress, it is obliged to look to the safety of its reserve, and to commence contracting its discounts, or selling securities.

2103. Is not the operation which you contemplate in your answer an issue of notes from the issue department at a time when a drain is going on, and when, if the circulation is to be viewed as a metallic circulation, the quantity of Bank notes ought to be diminished rather than increased?—Yes, according to the principle of the Act of 1844; but I think that principle a wrong one.

2104. Would not such an operation as that take place exactly at a time when you stated that you thought the operation of the Act of 1844 had been beneficial, namely, to prevent the continuance of a large circulation of paper, so as to keep up prices when it would be more advantageous that they should fall?—I think the operation of the Act is beneficial when the drain arises from one particular cause, viz., previous over speculation. When that is the case, it appears to me desirable not only that the Bank should not re-issue notes that are returned to it, but also that it should take measures moderately and discreetly to reduce its discounts, in order, by action on the rate of interest in a moderate degree, to prevent that violent operation on discounts which would otherwise become inevitable, in order to put a stop to the drain.

2105. Would not an issue of notes from the issue department, in the manner you stated in your last answer but one, operate precisely in contravention of what you stated to be desirable, viz., would it not operate to maintain a rise of prices, originally produced by speculation, after the exchanges had taken an unfavourable turn, when, according to your last answer, the Bank ought to take moderate measures to restrain speculation?—It would, or at least it might, and therefore I admit that the Act, in that particular case and stage of drain, is beneficial; but that is not the most usual cause of drain; other causes are much more frequent, namely, unusual foreign payments that have not originated in any undue extension of credit or general rise of prices; and in those cases, I think, it is desirable that the Bank should be able to replenish the reserve of its banking department from its issue department.

2106. Do you think that the Bank can, with sufficient certainty, distinguish between the separate causes of drain, so as to be able to pursue a different course according to the cause which, in their opinion, produces the drain?—The causes are matters of public notoriety. Everybody knows whether there has been a bad harvest, or whether the price of cotton has risen in America to a great extent, and generally whether a considerable export of capital is taking place. Then, on the other side of the question, all persons who pay attention to commercial transactions know well when there has been an inflation of credit, and, great speculation going on in goods; therefore, I think, the Bank have very sufficient means of distinguishing between the causes of a drain. The only case in which there can be any difficulty is, when there are causes of both sorts operating; in which case it may be difficult to determine exactly how much of the effect is due to each; but still, even in such a case as that, a course of action founded upon the judgment that experienced men can form upon the subject, seems to me much better than deciding by a mechanical rule that is only applicable to the extreme of one case, and pernicious in every other.

2107. At certain times the Bank of England raises its rate of interest in order to maintain its reserve of notes; and in that case you think the operation of the Act of 1844 has tended to increase the rate of interest charged at certain times?—Yes.

2108. Do you think it has had the effect of lowering the rate of interest at other times?—It has had that effect in point of fact, but I am not sure that it is fair to charge it upon the Act, because it is rather the effect of the doctrines put forth by the supporters of the Act than of the Act itself. When the Act was introduced, the language usually held by its supporters was, that the Bank in the management of its deposits was no more bound to consider the public interest than any other bank, and that it was to regulate its conduct with a view solely to its own safety; and so far as the Bank have acted upon that opinion, they have no doubt been led by it, not only to contract their discounts when they otherwise might not have been obliged to do so, but also to extend them at periods when probably otherwise they would not have done so; because seeing that they were at liberty, like other bankers, to lend their money to any extent that they thought prudent for their own interest, at the market rate, that they have lent money at less than 4 per cent., and upon some occasions at as little as 2 per cent. But that is not a necessary effect of the Act. The Act does not oblige them to do that, and the Bank may, if they please, abandon the doctrine that they are at liberty to act in the same way as other bankers; and seeing that such a body as the Bank must, in the management of its ordinary banking business, produce so great an effect upon the public interest, they may come to the conclusion that they are bound to consider that, and therefore ought not to lend below 4 per cent. or some such rate.

2109. Then so far as the lowering the rate of interest is concerned, that has been the effect of the course taken by the Bank Directors, rather than any effect produced by the Act itself?—I think it is more the effect of the mistaken grounds upon which the Act was first defended, and which have been partly abandoned by its defenders, than any effect of the Act itself.

2110. Are you acquainted with the constitution of the banks of Hamburgh and Amsterdam?—I have a general acquaintance with them.

2111. In the case of both of those banks, are not all the notes which they issue represented by bullion actually existing in their coffers?—Yes; that was the supposition, but it was found not to be the case in the bank of Amsterdam at the time of the events which followed the French Revolution; the bullion in deposit in the bank of Amsterdam was found to have been deficient.

2112. Was not that supposed to be an accidental circumstance owing to the pressure of the revolutionary war at the time?—I think it was supposed that the deficiency had existed long before that time.

2113. But it was a principle in the constitution of those two banks, that all the notes were actually represented by bullion in their coffers?—Yes.

2114. Therefore, their circulation must have varied exactly upon the principle which has been laid down in the Act of 1844, viz., that it should vary exactly as a metallic circulation would vary?—Yes.

2115. Are you aware whether they were ever unable to afford the requisite accommodation to the trade, either of Hamburgh and its neighbourhood, or of Holland,

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Holland, in consequence of that regulation?—I cannot answer that question; I should think it would require a very minute acquaintance with the history of commerce to be able to answer it.

2116. You are not aware of any complaints having been made of want of accommodation, such as we have heard of in this country, in consequence of that state of things?—Even if there were no such complaints, it might have been owing to their having never been accustomed to a different system.

2117. Are you at all acquainted with the variations in the rate of interest, either in Holland or at Hamburgh?—I cannot say that I am.

2118. You cannot say whether they have been greater or less than the variations in the rate of interest charged by the Bank of England?—I should expect that they were less; commercial transactions are now upon so much larger a scale, that we must expect more violent variations.

2119. Do you not suppose that the variations in the rate of interest charged by the Bank of England latterly, are very much due to great influxes of bullion at one time, and an export of it at another, which must have had the effect of making practically a considerable difference in the amount of capital available for discounts at different times?—Certainly, but if that were the only cause in operation, there would probably be very few variations, because the gold comes with tolerable regularity. I do not suppose that there are often considerable fluctuations in the rate of interest owing to the arrivals of gold, unless there is an unexpected retardation of an arrival; then of course that may operate for a short time on the money market, but not to any violent degree.

2120. You are in favour of the Bank retaining a large reserve, but without the restriction of the Act of 1844. Would any amount of reserve secure the Bank against the effect of a drain, unless measures were taken by the Bank in reference to the amount of its circulation?—The Bank may be driven to such measures ultimately. Even if the Bank has a reserve that is equal to the probable amount of the drain, it may undoubtedly happen that the drain may exceed that probable amount and if so, the Bank will at last be obliged to have recourse to other measures; but it is plain that if the Bank may allow 10,000,000 *l.* of gold to run out without taking measures, it will not be obliged to resort to such violent measures to stop the drain, as if it were necessary to stop it at the beginning.

2121. Do not you think that earlier measures of a moderate degree may check an incipient drain, which if suffered to go on, would require much stronger measures in the end?—Yes, in the case of a drain arising from over speculation; but in the case of a drain arising from no cause affecting prices generally, it seems to me a great deal better that the drain should be provided for by bullion kept in reserve to meet it, rather than that the bullion to meet it should be obtained by a violent action on credit or on prices.

2122. Do you recollect the drain of 1839?—Yes, I think that was the occasion on which the Bank was obliged to have recourse to the Bank of France.

2123. Was not it the fact that that drain of gold, unchecked by any measures on the part of the Bank, went to such a length that the Bank was saved only by borrowing 2,000,000 *l.* from the Bank of France?—Yes.

2124. In point of fact, the ultimate measures that the Bank had to take after having suffered it to go on for some time, were of a more stringent nature than anything they had done in former days?—That will naturally be the case if the Bank does not keep a sufficient reserve.

2125. Do you recollect whether the reserve of the Bank of England previously to the commencement of that drain was not of an adequate amount according to the then received notions?—I have not the details in my memory.

Vide Appendix, No. 15, p. 148.

2126. Will you look at Paper 19* before the Committee, and state the amount of bullion which appears to have been in the Bank in December 1838?—In December 1838 it was 9,686,000 *l.*

2127. Will you state in what month in 1839 it was lowest?—It appears to have been lowest in August 1839.

2128. The drain appears to have commenced from December 1838?—Yes.

2129. What was the lowest point to which the bullion was reduced in the course of 1839?—2,444,000 *l.*, in the month of August.

2130. Does

2130. Does it not appear that the drain actually went to the extent of 7,000,000 *l.* of bullion, gone from the coffers of the Bank of England?—Yes.

2131. I understood you to say, that after the experience we have had of the discretion of the Bank of England, you think it might be thoroughly trusted not to re-issue notes in cases when they might be called for to strengthen the banking department?—Not to re-issue notes in cases in which the return of those notes upon their hands was the effect of previous over-speculation.

2132. Have not almost all the great drains in this country, the drain in 1847, the drain in 1849, the drain in 1839, and the drain in 1836 all been, if not entirely, in a great measure caused by over-speculation previously occurring?—That can hardly be said, I think, in the case of the drain of 1847, because the over-speculation which there had been at that time was principally in railway shares, which had very little tendency to produce a drain.

2133. Do not you recollect the evidence which was given as to the system of drawing bills creating fictitious credits to a most inordinate amount, particularly at Manchester and Liverpool?—To whatever extent that might be the case, unless it was for the purpose of making speculative purchases in goods, it would have no tendency to produce a drain.

2134. Did not it produce very great discredit, and when the means of paying those bills failed, did not it cause great demands upon the Bank to furnish accommodation to those persons who could not obtain it in any other way?—Accommodation in notes, but not necessarily in gold.

2135. Mr. *Tite.*] May we take it, that the distinction which you intend to make between the different kinds of drain may be described by the expressions used in the Committee in 1848, namely, "a home drain," and "a foreign drain"?—Yes.

2136. With regard to a foreign drain, would not the state of the exchanges show very much what was operating upon the English market?—The state of the exchanges would show whether there was, or whether there was likely to be, a drain; but it would not show from what cause the drain proceeded.

2137. Do you think that the causes operating to produce either a home drain or a foreign drain, may be accurately distinguished?—Yes.

2138. With regard to the banks of Hamburgh and Amsterdam, do you know whether they were bound by law to keep bullion equal to their circulation, or whether it was left in the discretion of the Government?—I always understood that they were bound by law, or by the constitution of those banks.

2139. But I believe it is an historical fact that at the time of the failure of the Amsterdam bank, at the time of the French Revolution, it was found very deficient?—Yes.

2140. You do not know the amount of deficiency?—No.

2141. Mr. *Weguelin.*] In a question that was put to you with regard to the drain in 1839, it was said that it was unchecked by any measures on the part of the Bank. Are you aware that the circulation of the Bank in the hands of the public, which was the only circulation then known, in 1839 was reduced lower than ever it was known before or since in modern times?—I remember that the variations in the circulation in the hands of the public did not at all correspond with the state of the Bank reserve.

2142. Does it not appear that at that time the bullion in December 1838 in the Bank of England was 9,686,000 *l.*?—Yes.

2143. The circulation in the hands of the public was then 17,718,750 *l.*?—Yes.

2144. In December 1839 the bullion in the Bank of England was 4,139,400 *l.*, and the circulation in the hands of the public was 15,823,000 *l.*?—Yes.

2145. Then, whatever measures were taken, they had the effect of reducing the circulation in the hands of the public at that period?—Yes; it had been from some cause or other reduced.

2146. You conceive that the circulation in the hands of the public is not always affected by the measures which the Bank may take?—Not always.

2147. Was not the drain of 1839 caused almost entirely by a demand for

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corn to supply a deficiency in consequence of a bad harvest?—I have not the circumstances in my recollection, but I believe that was the main cause.

2148. You state that the Bank, by a low rate of interest, increased their discounts; do you state that as a matter of theory or as a matter of fact?—I believe, on the contrary, that as a matter of fact, the discounts are usually greatest when the rate of interest is highest; but that is accounted for by this circumstance, that the Bank's discounts are greatest at times when, in consequence of general commercial distress, there is greatest difficulty in obtaining assistance from other quarters; consequently, at the very time when the rate of interest is highest, the demands on the Bank are the greatest.

2149. Therefore as far as the action of the Bank upon its securities is concerned, it is exactly the opposite to what the theory would induce you to suppose that it would be?—It seems to me that the fact just mentioned is perfectly consistent with the theory; because although the Bank, not being the sole lenders, would be likely at the time when they get the lowest rate of interest (the facility of obtaining loans from other quarters being greater) to have a less demand upon them than at other times, and therefore might find it necessary to lower their rate of interest in order to employ their funds at all, still it does not follow that if they were to stop their loans till the rate of interest rose again, it would not have a very considerable effect on the money market generally. I believe that their refusal to lower their rate at such a time would be sufficient to have a very considerable effect on the rate of interest.

2150. Does a reduction of the rate of discount on the part of the Bank necessarily increase the securities?—Not necessarily.

2151. Nor does a rise in the rate of discount necessarily diminish the securities?—No; but perhaps I may be allowed to say that that does not affect the question about the operation of the Act; because in a time of difficulty when the Bank, in order to replenish their reserve, raise their rate of discount, if that rise in the rate of discount does not suffice to diminish their advances, they must do more, they must actually refuse to make advances; because their object is not to get a greater rate of interest, not to make more of their money, but to increase their reserve, and that is to be done either by their refusing to make advances, or by their selling securities, which will prevent somebody else from making advances to an equal amount.

2152. Does selling securities increase the reserve of the Bank?—Selling securities for the purpose of replenishing the reserve would do so.

2153. Does not the reserve of the Bank consist of the notes unemployed?—The notes, generally, that the Bank holds for the purpose of meeting the demands of the depositors.

2154. Is not the reserve of the Bank affected only by a diminution of its bullion?—The reserve of the Bank may be affected by any drawing out of their deposits.

2155. The purpose of drawing out deposits is to meet a foreign drain, as expressed by a diminution of bullion?—Yes.

2156. Therefore any measures which the Bank take must be to increase its stock of bullion?—It must be so now, but it need not be so but for the Act.

2157. If the Act did not exist, the whole reserve would be in bullion, and the same effect might take place upon the bullion as does now?—The whole reserve, in that sense, would be in bullion, but there would still be virtually a banking reserve that might exceed the amount of the bullion, or the Bank might, independently of the bullion that it kept to meet a foreign drain, keep in reserve notes also to meet the demands of depositors.

2158. Notes unrepresented by bullion?—Notes unrepresented by bullion; because the demands of depositors do not necessarily result from a demand for bullion, although they very commonly do.

2159. You are aware that in consequence of the position which the Bank holds, being, as it were, the ultimate resort of all the banking expedients of the country, what it loses on one account it usually gains upon another, and the deposits usually remain pretty nearly equal under all circumstances?—In a quiescent state of trade no doubt they do.

2160. The principal fluctuation being in Government accounts, which increase from a certain period of the quarter up to the time of the payment of the dividends?—In ordinary times that is the case.

2161. Are

2161. Are you aware that the mode in which the expenditure on railways is conducted in India is by the Indian Government expending what is necessary for labour in India and placing it to the account of the Indian Government on this side?—I do not know in what form those advances are made.

2162. And that the amount so debited to the East India House here is between 3,000,000 *l.* and 4,000,000 *l.*?—I cannot answer that question.

2163. You stated that a high rate of discount charged in this country, attracts capital from the Continent?—Yes.

2164. The rate of discount on the Continent is for bills due upon the Continent?—Yes; but I presume it may also be for bills due from this country.

2165. But then there must be a question of exchange entering into it?—Yes.

2166. Therefore, when you talk of the rate of discount in London, and of the rate of discount in Paris, it is for two different articles; one is for a bill due in London, the other is for a bill due in Paris?—Yes.

2167. Before you can convert the one into the other, there must be an operation on the exchange?—Yes; but that operation will very often consist in rectifying a previous operation; that is to say, supposing there was previously an exchange adverse to this country in consequence of foreign payments, a rise in the rate of interest here, by inducing those to whom those payments are due to invest their capital here, will tend to rectify the exchange.

2168. You think that a high rate of discount here will cause investments to be made in this country?—Yes.

2169. Investments in permanent securities?—Investments in permanent securities certainly, but very often, no doubt, not intended to be held permanently, but intended to be sold again after they have risen in price.

2170. Do you think that a high rate of discount in London would induce bankers to send money over here to be employed in discounts?—I think it is very likely to induce such a house as Rothschild's to buy any quantity of securities here.

2171. But not bills?—It would come to the same thing, because, if Rothschild bought securities, the sellers of those securities would sell them for the purpose of employing the money here in other modes; they would be very likely to be either themselves discounting or sending their money to bankers, by whom it would be employed in discounts.

2172. Then the operation would be, that foreign capitalists would be attracted by the low price of securities, not by the high rate of discount here?—The two always come together.

2173. Does a high rate of discount necessarily accompany a low price of public securities or of commodities, generally speaking?—Not necessarily a low price of commodities. It is possible that the prices of commodities might not vary; but in most cases the prices of commodities are ultimately affected. When the low price of securities is owing to commercial difficulties, if those commercial difficulties continue, and there is great difficulty in raising money by discount or otherwise for temporary exigencies, the natural effect is to lower the prices of commodities, because the holders of goods, being unable to get money in any other way, are obliged to sell at a forced reduction of price.

2174. But is it not the fact, that practically the rate of discount in the money market has upon very few occasions had any more than a limited effect upon the price of public securities?—I do not imagine how that can possibly be.

2175. The price of consols is now 94, and the rate of discount is 6 per cent. Is there any relation between those two rates that you can trace?—Probably Exchequer bills would be a more suitable comparison, because it is generally Exchequer bills that are held by bankers, not consols. Of consols there is a very great proportion held by persons who keep them as permanent holders for the income they yield, and not as a reserve to meet their engagements.

2176. But my question refers to the attraction which the high rate of discount affords to foreign capitalists to send their capital over to this country. You stated that you thought that a high rate of discount necessarily implied a low price of public securities?—I am speaking of the high rate of discount that takes place in times of commercial difficulty. I apprehend that when there is a state of commercial difficulty there is always, as one of the features of that state, a considerable fall in the price of securities both private and public, and that all sorts of securities, railway shares for instance, fall very much.

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That is one of the forms in which these transfers from foreign countries take place; foreigners send over to buy railway shares in this country, or English holders of foreign railway shares sell their foreign railway shares abroad. That is one way in which the transfer takes place, and there is so much transfer of bullion prevented.

2177. You say, that you think that a considerable rise in the rate of discount necessarily causes foreign capitalists to invest in securities in this country, and English capitalists to sell the securities which they hold in foreign countries?—I do not say necessarily; I think that it is a probable and natural result, and that by means of this, which is under the circumstances supposed a profitable investment, the necessity of so great an exportation of bullion as would otherwise be required is in some degree saved. I have understood that in 1847 this occurred to a considerable extent.

2178. You think that large investments were made by foreigners in this country in 1847?—I believe there were considerable purchases by foreigners, either of English or foreign securities, which were previously held by persons in England.

2179. Do you think they invested in consols much at that time?—I should not think they invested much in consols, because consols are always at a much higher price than other securities, and, what is more important, there is not so much to be made by speculating in them, because the prices do not fluctuate so much. Those investments, I suppose, were made on speculation, with a view to sell again afterwards.

2180. In a general way, when the market for securities is going down in this country, does not the market for securities on the Continent go down also?—Yes, in some degree it does; but still it does not go down in the same degree. I apprehend that the country in which the cause of the fall originates, is always that in which it is greatest. And when it originates in a great payment of money from this country to foreign countries, it is natural to suppose that so far from the same phenomena taking place in the foreign country, to a certain extent, phenomena of a contrary description may be expected to take place there.

2181. Do you think that the merchants in this country hold many foreign securities?—I should think not as a general rule, though they may occasionally, on speculation.

2182. Are those speculations, in your opinion, mainly confined to the capitalists, who upon occasions of commercial distress, are inclined to transfer their capital to foreign countries?—There is a large and rich class of bankers and dealers in securities, through whom the equalization of the rate of interest and the equalization of commercial pressure between different countries usually takes place; and when disposable capital is to be transferred from one country to another, it is usually through the agency of these people that the transaction takes place. We know that they are always on the look out to buy securities which are likely to rise; therefore if securities have fallen in one country from circumstances leading to an export of bullion, while in other countries bullion is coming in, the place for them to buy securities will be the country which is sending bullion away.

2183. In point of fact the transfer of capital is a speculation in the permanent investments of that country, rather than in the rate of discount?—Yes; but I apprehend the rate of discount is always affected by it, because those who buy securities buy them from somebody who previously held them, and who after the sale has the price of them instead, and he has probably sold his securities because he intends to make use of the price in a more profitable manner than the securities afford. This, at such a time, he would be best able to do by employing the money in discounts. Or he perhaps uses it to pay a debt of his own, and in that case the person to whom he pays the debt is probably a monied man, and employs it in discounts.

2184. Of course the whole force of the argument depends upon the amount to which those investments are made in foreign countries. You think they are very large?—I always understood that they took place to a very considerable extent in 1847, to a sufficient extent to have relieved the drain considerably.

2185. Mr. *Hildyard.*] I understand you to state that, in your judgment, there ought to be no legislative restriction upon the Bank, but that the Bank Directors ought, as a general principle, to endeavour to keep a large reserve of bullion, amounting to the sum of about 12,000,000 *l.*, which you specified?—Yes.

2186. Do you advocate that they should keep that reserve with a view of meeting any sudden emergency that may come upon them, without being obliged to have recourse to extreme measures injurious to the commerce of the country?—Just so.

2187. Is the effect, in your opinion, of the Act of 1844 to deprive the Bank of the use of a large portion of the bullion actually in its hands, and to compel it to meet the requirements of the public out of the diminished portion over which they are permitted to have control?—I think they are obliged in any case to meet all the demands of the public, or the greater part of those demands, from their banking reserve, and that if they could have recourse to their issue department, either for bullion or for notes, they would often not be obliged to limit their advances from the banking department, when now they are obliged to do so; or if they were obliged, it would not be to the same extent.

2188. Would you illustrate your view by what occurred in 1847. Was it not the fact that the active circulation of the Bank of England during the crisis of 1847 was never below 20,000,000 *l.* sterling?—I presume that in 1847 the amount given as the circulation of the Bank of England represents all the notes out of the issue department, and therefore includes the banking reserve of notes. It appears to have been at the lowest, a little below 19,000,000 *l.*, in the month of September.

2189. But the crisis did not occur till after September; will you state what the actual circulation was in October?—On the 9th of October the circulation is stated to have been 19,182,000 *l.*

2190. Then, subtracting from the active circulation the credit circulation of the Bank, the Act compelled the Bank of England to hold bullion representing the difference between the active circulation and the credit circulation of 14,000,000 *l.*?—Yes; the Bank was obliged to retain bullion to represent the surplus of 19,000,000 *l.* above 14,000,000 *l.*; but they might still have been compelled to keep this bullion, and yet the inconvenience might have been prevented if the restriction on the issue of notes had not existed; because they might have made an advance to the banking department of notes from the issue department, which would not necessarily have been lent to the public at all.

2191. But under the Act of Parliament they had no such power as that which you say would have obviated the difficulty?—No.

2192. Then were we not near experiencing this phenomena, that the Bank of England might have been compelled to declare its inability to comply with the Act at a time when it had between 6,000,000 *l.* and 7,000,000 *l.* of bullion in its coffers?—What it might have been compelled to do would have been to stop payment in its banking department.

2193. If on the Monday following the Saturday when the Chancellor of the Exchequer thought proper to give way, the bankers had chosen to withdraw their deposits, the Bank of England must have stopped payment, although it had at the time 6,000,000 *l.* of bullion in its coffers?—Yes; in the case of an internal panic that evil is liable to arise, because there is no knowing how far the panic may reach; the longer it goes on the longer it is likely to go on, because panic creates panic. Any amount of issue of notes which the Bank could possibly make at such a time could not under any circumstances do any harm, because all that people would want them for would be to keep by them; they would never go into circulation.

2194. You stated that in your opinion, in every case but one, the action of the Act of 1844 has been prejudicial; but that in one case you think it is beneficial, that is to say, in the case of a drain resulting from an inflation of credit and over speculation?—Yes; and even in that case, I think it is beneficial only in the first stage, and extremely injurious in the last stage.

2195. Are you sure that you are right in saying that any merit exists in the Act of 1844, even in that particular; have not the Bank Directors, from their position, ample means of ascertaining that that over speculation and that inflation of credit is going on? Do not the character of the bills presented to them and their general knowledge of the commercial affairs of the country enable them to arrive at that conclusion?—I should say that there never has been a time of over speculation to any great extent, when the fact has not been notorious to persons accustomed to attend to commercial affairs.

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2196. Must it not be particularly within the knowledge of the Bank Directors if they are men of intelligence?—Undoubtedly.

2197. Then would it not be their duty to check that over speculation by their own spontaneous action, even if they were not compelled to do so by the Act of 1844?—I think it would be, and that they would probably do it with their present lights, but they certainly did not always do it.

2198. You have stated that they would have a knowledge of what ought to be done and that they would be able to do it, and you think that now, with the experience they have had, they would do it?—Yes.

2199. If they did not do it would it not simply amount to this, that the Bank Direction is not properly constituted, and not that there is any necessity for any legislative enactment to effect it?—I think so, certainly.

2200. Therefore the Act of 1844 has really no merit, inasmuch as this one beneficial action which you ascribe to it, might and ought to follow from the intelligence and discretion of the Directors?—At the same time I must say, that I am not aware that the Bank Directors have ever been in intelligence of commercial affairs behind the commercial public generally. I think they have always had quite as enlightened views as the bulk of the public had. They have not always had the best views. They had not in the time of the Bank restriction; but then neither had the public. They had improved views quite as soon as the public. When Sir Robert Peel found that the Bank of England had not been observing the requisite caution in checking speculation in its commencement, he might very naturally think that it would be beneficial to compel them to do so. But whether compulsion was required or not at that time, I think that the effect has now been produced. The feeling of the public is now even of an exaggerated kind on the subject of the necessity of checking speculation. The alarm is sounded very early, sometimes earlier than is necessary; and I do not think it is to be apprehended that, under the present constitution, the Bank of England is ever likely to be less alive than the commercial world in general are to that object, so as to require the restraint of the Act.

2201. Therefore you would not recommend the continuance of this Act of 1844 in order to accomplish that beneficial action, which you say it may have produced in certain cases, but which you believe would be effected without the Act by the spontaneous action of the Bank Direction, with the improved intelligence and the experience that they now possess?—Decidedly. I think that the degree of enlightenment of the Bank Directors has been constanly progressive; that they have advanced with the public, and are likely still to do so. I think they are now kept back more by the false theory upon which this Act rests, than by anything else; and that they would act in a more judicious way than the Act prescribes, if they had larger discretion entrusted to them.

2202. Is not one mode, if not the only mode, of checking a drain, gradually raising the rate of discounts. Is not that the most important, if not the only engine which they possess for the purpose?—And the limitation of their advances.

2203. Do you remember the precise date of the repeal of the Usury Laws?—They have been repealed by degrees.

2204. Have not the Bank since the year 1844, by the repeal of the Usury Laws, possessed an engine by which they can check the efflux of bullion and arrest over speculation, which was not possessed by their predecessors during the period that elapsed between 1819 and 1844?—The Usury Laws were relaxed, as far as regarded bills of exchange, long before 1844.

2205. That relaxation was confined to bills of exchange?—Yes, and to bills of less than three months' date; but those are the bills which the Bank discount, I believe, exclusively.

2206. You have been asked whether larger reserves of bullion have not been held by the Bank in the 10 years subsequent to 1844 than were held in the 10 years previous to 1844. Will you look at the paper before the Committee and see whether that appears to be a necessary consequence of the Act of 1844, or whether you do not find that the bullion in the Bank had actually risen previously to that Act. What was it in 1844?—In January 1844 it exceeded 14,000,000 *l.* In March it exceeded 16,000,000 *l.*; then it began to diminish.

2207. But

2207. But previously to 1844, what was it?—During the whole of 1843 it was from 10,000,000 *l.* to 13,000,000 *l.*; never so much as 13,000,000 *l.*

2208. When did the Act itself come into operation?—In 1844; and that confirms what I stated, that during those years gold was flowing in in large quantities; therefore the quantity of bullion in the Bank would naturally have been very much greater, even if the Act had never passed.

2209. Is it not evident that that great amount of bullion in 1844 could not by possibility be the effect of the Act of 1844, but must have been the result of previous causes in action?—So much so, that in all probability no one would have thought of venturing to separate the reserve into two parts, if it had not been so large. If the reserve had been no more than 7,000,000 *l.*, it is highly probable that Parliament would not have thought it safe to enact that only part of it should be available in each department.

2210. It has been stated in this Committee that the supposed reason for adopting 14,000,000 *l.* as the amount of circulation on securities, as fixed by the Act of 1844, was, that the minimum active circulation previously to 1844 was 15,600,000 *l.*; of which 15,600,000 *l.*, 1,000,000 *l.* consisted of bank post bills, not under the operation of the Act, and 600,000 *l.* of lost notes which have subsequently been written off. Deducting therefore those two sums from the minimum circulation, we get at the 14,000,000 *l.* which is made the amount of the credit circulation of the Bank. The Legislature, therefore, having regard simply to the then existing amount of the circulation, and not at all to the regulation of the banking department, seems to have assumed, that if they made provision for bullion against every note issued above the lowest amount that had ever been out in active circulation, they had secured convertibility?—Yes.

2211. Without asking you whether you agree in that view, but assuming that the minimum circulation since the passing of the Act has not been less than 16,700,000 *l.*, exclusive of bank post bills; and there being no amount worth speaking of of lost notes to write off, ought not the Legislature, if it follows the principle of 1844, to make 16,500,000 *l.*, or about that amount, the amount of the credit circulation which should be permitted to be issued?—It is evident, that proceeding on that principle, if the framers of the Act had been framing it now, they would have fixed the larger amount instead of the smaller.

2212. Upon the same principle they would have said, as we cannot contemplate a lower circulation than 16,500,000 *l.*, if we provide bullion for everything beyond that amount we provide for convertibility?—That would have been their course probably.

2213. Still, not asking you to pledge yourself to the principle, would not it seem a more rational thing to have the credit circulation expanding according to the wants of the country, as indicated by the minimum active circulation, than to adopt an arbitrary amount of 14,000,000 *l.*, as fixed in 1844, although the industrial operations of the country might increase to any extent?—I am not sure that it would operate in that way, because the only difference that would exist as compared with the present state of things is, that the Bank would be obliged to hold bullion against 2,000,000 *l.* of its circulation, which now it may issue on securities.

2214. If you increased its credit circulation from 14,000,000 *l.* to 16,500,000 *l.*, it would dispense with the legislative necessity on the part of the Bank to hold 2,000,000 *l.* of gold?—Yes, it would enable the country to part with 2,000,000 *l.* of bullion which now it must hold.

2215. It would therefore so far relax the operation of the Act of 1844?—Yes.

2216. If you think that the restriction of the Act of 1844 ought not to exist at all, I imagine you would advocate its relaxation to that extent, as going part of the way that you would propose to go?—Provided that this permission to the Bank to issue 2,000,000 *l.* more on securities than they can now do, did not cause their reserve in bullion to be less than what I think requisite for meeting the probable or possible drains.

2217. You have already stated that you think that the principle of the Act of 1844 is defective, because it pays no regard to a drain that will fall upon the banking department (which you say is the first effect of a drain), but simply has reference to the issue department. Now adopting the principle of the Act of 1844, for the sake of the argument (without asking you to acquiesce in it, and to say that it is a right principle), if that principle is to be adopted by Parliament

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with respect to the legislation we are about to enter upon, ought it not consistently with what was done in 1844, to make this relaxation of 2,000,000*l.*?—On the principle of the Act of 1844, I see no reason whatever against it.

2218. You have been asked whether the Bank at Amsterdam and the Bank at Hamburgh were not bound to hold bullion to the full extent of every note issued; assuming that that was so, and that that was their habit (which you say you believe in the case of the Bank of Amsterdam was not practically their habit), what economy of capital would be gained if every note is represented by bullion?—Of course none; the only advantage, then, of the paper currency would be its convenience.

2219. It would be encountering the evils which are urged as objections against a paper currency, namely, liability to forgery and loss without any economy of capital whatever?—None whatever.

2220. And no profit resulting to the Bank which had to make the issue?—No profit from the issues, of course; only expense.

2221. You say you consider that, having reference simply to the question of circulation, it is a matter of importance whether the issue of notes is from one bank or from several banks; you qualified that remark by saying, "As a question of circulation"?—Yes; I consider that it may be of consequence with reference to the probability of forgery; the probability of forgery is, no doubt, greater when the same notes circulate all over the country, than when notes circulate only locally in a small district. At the same time that might possibly, in the case of the Bank of England, be provided against by means of branch banks, and by making the notes of those banks supply the whole local circulation.

2222. Do you believe that, in fact, there are many districts where it would not answer the purpose of a bank, like the Bank of England, to establish branch banks for the purpose of distributing it notes, and where the notes of private bankers are now circulated, affording great convenience to the district?—Yes; but the notes of branch banks would get distributed too. However, they would probably circulate over a much larger district than the notes of private bankers; and therefore the danger of forgery would be considerably greater.

2223. But do you think that they would of necessity be distributed so conveniently as they now are, assuming that country bankers were prohibited altogether from issuing them?—Possibly not.

2224. Do you know the fact that the Bank of England has found it to be inexpedient, as a mercantile operation, to have branch banks even in such places as Norwich and Gloucester, and that they have withdrawn their branch banks from those places?—It is not within my knowledge. It is a striking fact, certainly, but it does not follow that the notes of a central bank would not circulate in those districts just as much as if there were branch banks.

2225. Can you not conceive that great practical inconvenience would result to many outlying districts if there were not the conveniences at present afforded by county banks?—I think it is very useful to such districts, perhaps to less opulent districts even more than to opulent ones, that there should exist bankers ready to make advances of money on proper security. In some districts it is probable that a bank could not maintain itself by its deposits only, unless it had a profit on its issues also; and so far the inconvenience referred to in the question would certainly be produced, if there were only one bank of issue.

2226. Do you not also know that in practice, if a farmer comes into a country bank and wants to draw 100*l.* from his deposit, he is asked, "In which will you have them?" and he invariably takes the notes of the district, and prefers them to Bank of England notes?—Perhaps he does so only because he is more used to them.

2227. Assuming that he is satisfied of the solvency of the bank, is not the danger of forgery less, in the case of a private note?—Unquestionably that is the strongest argument for having private notes.

2228. Mr. *Hankey.*] You said that you considered that it would be injurious to the public interest that the Bank of England should be managed in the same way as other banking establishments?—I think that the operations of the Bank produce much too great and important effects on the general business of the country to admit of its considering, as other bankers may do, only its own safety and pecuniary interest.

2229. You

2229. You stated that you considered that the deposits of the Bank of England were the reserves of the disposable money, generally, throughout the country, and that that was one of the reasons why you thought it was not desirable that the Bank of England should act as any private banker would do?—The private bankers keep all that portion of their reserves, which they do not immediately want, with the Bank of England; the consequence is, that the deposits of the Bank of England are the bulk of all the deposits in the country; and as the deposits of the Bank of England consist of the whole capital that is lying waiting for employment, they necessarily constitute the fund which is drawn upon when bullion is wanted for exportation.

2230. Do you think that that remark applies to any other account of the Bank of England, except the account of the London bankers with the Bank of England?—Possibly not; but at the same time the private country bankers are brought very much into connexion with the Bank of England through their London agents. I imagine that there are very few private country bankers that have not a portion of their funds in the hands of London agents.

2231. If we exclude the account of the London bankers at the Bank of England, are not all the other deposits of the Bank of England very much of the same nature as those which are kept in any other banking establishment in London?—Except that another London banker does not keep the whole of his reserve by him; he only keeps that portion which he thinks liable to be called for immediately. He keeps the rest with the Bank of England.

2232. But my question is excluding the deposit account of the London banker at the Bank of England; are you aware of any other accounts which require a peculiar action on the part of the Bank of England different from that of any other ordinary well managed bank?—I apprehend that the Bank is obliged so to conduct the management of its banking concerns, that it shall always be able to meet from its banking reserve any probable drain of bullion for exportation; because any drain for exportation comes as a general rule upon the banking branch, before it can reach the issue branch; and the Bank being under this obligation, and knowing that whatever drain of bullion takes place from the country will almost all come out of its banking reserve, is obliged to consider the probabilities of drains, and their probable extent, in its banking operations, as well as in its issue operations.

2233. Are you aware whether, when there is a drain of bullion, any other deposit accounts in the Bank of England are withdrawn or diminished, except those which are of the nature to which I have alluded, namely, the deposit accounts of the London bankers?—The accounts of the Government certainly are not generally liable to be diminished in that way.

2234. Then it is only those other accounts, which you would not consider the public accounts, which are liable to be diminished by a drain of bullion from abroad?—Yes; but there are cases in which the Government accounts also may be liable to be drawn upon, namely, when the Government itself has payments to make abroad.

2235. If I could show you that the accounts at the Bank, other than the public accounts (excluding those of the bankers), have not varied materially with any drain of bullion, you would not perhaps attach so much importance to the argument?—I imagine that if the deposits of the bankers vary, that is sufficient to make a very great action on the part of the Bank necessary to maintain its reserve.

2236. Excluding the account of the London bankers, can you point out any other account at the Bank of England which is liable to diminution in consequence of a drain for bullion; have you ever observed any indication of any such thing in any accounts that you have seen?—If any private merchant or dealer banks with the Bank of England, I apprehend that he may have foreign payments to make, and therefore his deposits may be drawn out in case of a demand for exportation; and I suppose that the public accounts and the bankers' accounts, and the accounts of merchants and dealers, compose nearly the whole of the deposits of the Bank.

2237. At times when the rate of interest was very low, do you imagine that the amount of deposits in the Bank of England, of an ordinary character, was larger or smaller than at other times?—I cannot say.

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2238. Do you think that the amount of deposits in London is in any way affected by the current rate of interest at which people can employ their money?—When the current rate of interest is unusually high, I should expect that, *cæteris paribus*, the deposits would be low; because the very fact of money bearing a high value proves that people want it either to meet their engagements, or because they are able to make unusual profit by the use of it.

2239. Have you observed that at the time when money was worth 7 per cent., the private deposits in the Bank of England were about 12,000,000 *l.* Will you see what was the amounts of private deposits in the Bank of England in the first week of January 1856?—In the first week in January 1856 the public deposits were 5,500,000 *l.*; the other deposits were rather more than 12,500,000 *l.*

2240. Now, will you refer to the amount of deposits on the 1st of January 1852, which is the period when money was extremely abundant?—At that time the private deposits were 9,371,000 *l.*

2241. Then, at a time when money was extremely abundant, and the rate of interest very low, and when you would have expected there to have been an unusual amount of money unemployed, it appears from the return of the Bank of England that the deposits were considerably less than they were at a time when the interest of money was extremely high, and when you would have expected a very considerable diminution of the deposits. Is not that the fact as it appears from the paper?—Yes.

2242. Therefore, as far as those facts go, there is no indication that the private deposits have been materially affected by a higher rate of interest?—No.

2243. The question is, whether it is true that the deposits generally, otherwise than those of the bankers, are of a nature which require any peculiar action on the part of the Bank of England?—The Government deposits do not.

2244. Therefore it is only the private deposits that do?—Yes.

2245. And in fact it would apply to no other account than that of the London bankers?—Or the London merchants and dealers.

2246. But we have seen from the account before the Committee that the amount of deposits in the Bank of England did not materially vary, according to the scarcity or abundance of money; and does it not follow, therefore, that it can only be the private bankers' accounts at the Bank of England which are of that peculiar nature which requires a different action from that which would be pursued by every other bank?—It strikes me, that when bankers withdraw their deposits it is because their customers are likely to withdraw their deposits for the purpose of meeting the demands to which they are liable in the peculiar state of the market.

2247. You stated that you thought that since 1844 the Bank has lent money at lower rates of interest than it did previously?—Yes.

2248. And that that was partly caused by the Act of 1844?—I said that I did not think the Act could be held responsible for it, because it is rather a circumstance which has accompanied the Act than the direct effect of the Act itself.

2249. You believe it to be a matter of fact?—Yes.

2250. Is it not a notorious fact that the Bank of England lent money in 1843, at $1\frac{1}{2}$ per cent.?—That must have been under very peculiar circumstances.

2251. Previously to 1844 the Bank never lowered their rate of discount below 4 per cent., but you are aware that the Bank when they had large amounts of money at their disposal made use of it, and were consequently obliged to employ it at the current rates of interest?—Yes, they have I know been charged with having almost caused some commercial crises, by the use they have made of their large funds at certain periods of speculation and of consequent revulsion: I mean by the use which they made of extraordinary public deposits which they had for a time.

2252. You think that at a time when the Bank of England has large deposits in its hands, and when the current rate of interest is from any causes below 4 per cent., it is not expedient for the Bank to enter into competition in the money market, or to employ that money at all?—I would not lay down any general rule, but I think they are bound not to do it without great consideration of the circumstances; that is to say, not without considering whether there is likely to be a demand on their reserve; in fact, whether their superfluity of reserve is likely to last.

2253. Would

2253. Would it not be rather difficult for the Bank Directors to foresee what may happen two or three months hence. Do you think that the Bank, having a large amount of money which had been paid in from taxation, ought to be prevented from circulating it among the public because the rate of interest was not 4 per cent.? Do you think that would be a wise, a wholesome action on the part of the Bank Directors?—I should think that it would be necessary that they should consider a great many circumstances in order to decide that. I do not think any general rule can be laid down.

2254. But without laying down a general rule, do you not think there are many cases which would justify the Bank in lending out money at the current rate of interest?—I think they are bound to consider well the disadvantage which would be occasioned, at a time when there was a low rate of interest, by lending a very large sum of money in addition to what had been lent before, which would tend to encourage speculation, and whether that would be a greater evil than leaving a portion of their deposits for a time in their coffers.

2255. You think that in those particular times they ought to depart from such principles of action as would guide any ordinary banking establishment?—I think so, because a private banker may fairly think that his operations cannot produce any great effect upon the general circumstances of the money market, and that, therefore, it is enough if he considers himself.

2256. Do you consider that the rates of interest have varied more frequently since the Act of 1844, than they did before?—Yes.

2257. Can you refer to any statement which shows that the variations in the rate of interest in London have been greater or more frequent since 1844 than they were previously to 1844?—It is matter of notoriety that the variations in the Bank's rates of discount have been much more frequent than they were before.

2258. But seeing that before 1844 the Bank of England never discounted below four per cent., but employed their money in other ways below four per cent., would it be a fair thing to take the Bank's rate of interest at that period as an indication of the value of money, and to found an argument upon it, that the variations in the rates of interest have been more frequent since 1844 than previously to 1844; would it not be more fair to take the current rates of interest in London, as indicated by the rates adopted by the great money dealers, such as Messrs. Overend & Co., whose money is generally employed in discounting bills?—I have no doubt that the rate at which Overend & Co. lent would be a very correct indication of what the rate of interest was, but it would not at all show to what extent the general rate had been affected by the circumstance of the Bank lending or not lending at a low rate of interest, which cannot fail to affect it very materially.

2259. The rate to which you are alluding is merely the rate at which the Bank have themselves lent money, having no reference whatever to the current rates of interest in London?—Just so; but this distinction is not always important, because everybody feels that the operations of the Bank do very materially affect the general rate of interest in a period of commercial difficulty; and it is in a period of commercial difficulty, brought about by other causes than over speculation, that the restrictions imposed by the Act are particularly noxious. Although the Bank does even in ordinary times vary its rate of interest much more frequently than it did, no doubt it does so, merely following the market rate of interest, and I do not attach any great importance to the effect of what it does then. It is what it does in times of difficulty, that is of importance, and the restrictions under which it is then placed appear to me to be a source of evil.

2260. As there has been a very large increase in the production of gold, which has been principally coined, and has therefore added to that extent to the circulating medium of the world, should you not expect that in the general distribution of the precious metals a great proportion of that increase would find its way to India?—Certainly.

2261. Would it not naturally continue to do so until India had received its share in its general distribution?—Yes; but I apprehend that it will be found that the export of bullion to the East has been greater in proportion than to other countries.

2262. Is not the alteration in the relative value of gold and silver which has taken place in consequence of the enormous increase in the production of gold, quite

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quite sufficient of itself to account for this large export of silver from Europe to India?—It would no doubt account for the export of silver to the East to the same proportionate extent as to other places, but not for the greater proportional exportation, which I imagine has taken place to the East, than to other places.

2263. Is it not natural that in this process of equalising the general increase of the precious metals all over the world, that increase should find its way in the shape of silver to the East, where silver alone is used as the circulating medium to a greater degree than to any country where gold and silver are used jointly as the circulating medium?—Certainly.

2264. Then it is natural to suppose that the large export of bullion which we have sent to India would have taken place quite irrespectively of any action of trade, or railways, or anything else?—Not independently of any action of trade, because it must take place through the medium of that action.

2265. But independently of any extraordinary action, different from the ordinary action of the trade of the country?—Yes; but if it had not been for the practice of hoarding in the East, the probability is, that in a country like India, where prices depend much more on the metals than on any of those contrivances of credit which affect them so greatly here, the effect of this influx would have been felt much more upon prices than it has been; and in proportion as it affected prices, it would have diminished the export of the precious metals to India, which it has not done.

2266. Mr. *Tite.*] I have now before me the statistics with regard to silver which were given to the Committee in March last, from which it appears that the exports of silver to India and China in six years have been 36,530,000*l.*, and the imports from the producing countries have been 25,820,000*l.*, making the amount of silver abstracted from the European stock in the six years 10,700,000*l.*, which is at the rate of about 1,600,000*l.* in a year. Do you apprehend that that drain of 1,600,000*l.* from Europe to the East is likely to continue?—I should think that a drain to that extent or more is likely to continue.

2267. Do you know the amount of circulation in France?—I have not the figures in my possession, but there has been a great substitution of gold for silver in the French circulation, and a great part of the silver which has gone to the East has come from France.

2268. It was suggested that the circulation of silver in France is about 120,000,000*l.* sterling?—Not now, I think.

2269. Supposing that drain to the East should go on to the extent of 1,500,000*l.* above the silver imported from the silver producing countries, would the effect be very important upon the commerce of the country, or what effect would it have, in your opinion?—The probable effect will be to oblige countries whose standard is now silver to adopt a gold standard. If this took place in India, the effect would be in a great degree to stop the influx of silver, and to substitute an influx of gold.

2270. No other effect?—No other effect, that I know of.

2271. Mr. *Spooner.*] Some questions have been put to you about country bankers being required to give securities for their notes; I understood you to say that you do not think that at all necessary as long as the issue of notes is limited to 5*l.* and upwards?—I hardly think so; I admit that it is a question on which there may be a difference of opinion, but, inasmuch as the amount of deposits is generally greater than the amount of notes, and the holders of notes, when they are confined to 5*l.* notes, are much the same class of persons as the depositors, there probably is no reason for placing the holders of notes in a different position, or giving them any security which cannot be given to depositors.

2272. Would it not be unjust and unfair towards one creditor of the Bank to give a better security to another creditor of the Bank?—Not if it were known beforehand on what security they took the notes or made the deposits.

2273. In what way could the security be given; how could it be practically worked out?—The banker might be compelled to hold public securities of some description to the amount of his notes, which should not be liable to be taken to pay other debts.

2274. Where should those securities be deposited?—They might be entered in the books of the Bank, in such a manner as to secure them against other creditors. Means could easily be provided in some way equivalent to a *distringas* upon stock which is not permitted to be sold.

2275. Suppose

2275. Suppose that were done, a banker must still keep in his possession a large reserve to meet the daily demands of his customers in respect of those notes?—Certainly, he must, and he would hold, besides, a certain amount of securities which would be a pledge for his notes.

2276. Would not that, in point of fact, be requiring the banker to provide for his notes in two places?—He would not be required to provide so much for his depositors if his notes were otherwise provided for.

2277. But you mean still to make the banker liable to pay his notes on demand in gold, although he has given security?—Certainly.

2278. Then you would make him provide for his notes in two ways, namely, by giving security for them, and by providing for the daily demands which are coming upon him?—Yes, undoubtedly he must; but the securities which he was obliged to provide on account of his notes would be bringing him interest.

2279. Would it not be in a time of panic or disturbance that he would require to realise his securities to meet his notes?—That might be the case; and it might be necessary that some public officer should have power to authorise sales of the securities that were given for the notes.

2280. At such a time, would not the securities most probably fall very much in value?—Yes, undoubtedly they would.

2281. Then while you ask security from the banker, would not you give him indemnity against that possible loss?—That is a loss to which bankers are always subject; they are always liable to invest their money in securities when securities are dear, and to have to sell them out when they are cheap.

2282. They change them according to the best of their judgment?—Yes; but they invest what they receive in deposit, and the deposits are likely to come in to them in the greatest abundance when there is not much to be made by keeping them.

2283. I understood you to say that your opinion is, that the theory upon which the Act of 1844 was grounded has been proved by experience to be completely erroneous?—I think that some parts of the theory have been proved, by practical experience since, to be erroneous, and that they are mostly given up, even by the defenders of the Act.

2284. What part do you say is not proved to be erroneous?—I think the whole of the theory erroneous; but I think the part which experience has overset is chiefly that which turned upon inattention to the effects which the Bank produces by its deposits, the importance of which certainly, before 1844, was not sufficiently appreciated either by the Bank Directors or by the public generally.

2285. I understand you to say that you are of opinion that the Act of 1844 has not answered the purposes which its promoters had in view, and that it would be better to repeal it?—That is my opinion.

2286. Do not you think that the convertibility of the note might be as well secured, or perhaps better secured, without the Act than under its provisions?—I think the convertibility of the note is safe in any case, and Lord Overstone, in his evidence, said as much. He said the Bank can always take care of itself, but it is at the expense of the public. I have no doubt the Bank always would take care of itself.

2287. The convertibility of the note would, in your opinion, be as safe without the Act of 1844 as with it?—Yes; while at the same time a much greater evil than the convertibility of the note, namely, suspension of payments by the banking department, is much more possible with the Act than it was before.

2288. Mr. *Puller.*] You stated that, with respect to a drain of gold, since the Act of 1844 every drain had a sort of double action; that in the case of a drain extending, say to 3,000,000 *l.*, its first operation is upon the banking department, by drawing out 3,000,000 *l.* of notes; and that then it acts upon the issue department, by the presentation of those notes, in drawing out 3,000,000 *l.* of gold?—Yes.

2289. You went on to add those two sums together, as if they constituted a drain of 6,000,000 *l.* upon the Bank?—Yes; what I said was, that the two departments cannot help one another, but the Bank is obliged to take separate measures for the security of both. As to the issue department, the security of that is provided for by the Act; but, in addition, the Bank are now obliged, as the drain would come out of the deposits, to take measures for the security of the deposit department, which can only be done by a contraction of their credit.

2290. Is it fair to add those two sums together, as representing a drain upon the resources of the Bank to the amount of 6,000,000 *l.*, the notes being, in fact, certificates of so much gold deposited in the issue department?—If it were a question that concerned the solvency of the Bank, I admit that it would only operate to the extent of 3,000,000 *l.*; but in as far as the operation upon the money market is concerned, I apprehend it operates virtually as a drain of 6,000,000 *l.* would do upon the Bank.

2291. But the 3,000,000 *l.* of notes that are drawn out of the banking department are, in fact, the same identical portion of the resources of the Bank as the 3,000,000 *l.* of gold which are afterwards drawn out of the issue department to meet those notes?—It is as if a man having to lift a weight were restricted from using both hands to do it, and were only allowed to use one hand at a time; in which case it would be necessary that each of his hands should be as strong as the two together.

2292. You say that, since the Act of 1844, the Bank has not kept so large a reserve in their banking department as was necessary?—Not so large a reserve as would have been necessary to make the Act innocuous. To have prevented the Act from producing more violent revulsions of credit than would take place without it, it would be necessary for the Bank to keep in the deposit department alone, a reserve sufficient to meet any probable drain.

2293. Was not the intention of the Act to make the circulation fluctuate exactly as a metallic circulation?—Yes.

2294. Has not that effect been successfully carried out?—That effect has been carried out; but, I apprehend, that effect is not of the smallest consequence.

2295. Do you think that the Act has the effect of causing the Bank to keep a less banking reserve now than it would have kept if we had had a purely metallic circulation at work, and therefore the Bank of England had been a mere bank of deposit?—If the Bank had been a mere bank of deposit, and had continued to act as it has acted under the present system, namely, to consider only its own banking interest, it would have done just as it has done.

2296. Therefore, there is nothing in the Act to cause less caution on the part of the Directors than they would have exercised if there had been a purely metallic circulation?—Exactly so; but I think, in a system of credit like what we have in this country, you may have a very much more steady currency than a purely metallic currency would be.

2297. But if there has been a less banking reserve kept than was necessary to meet the banking engagements, that result is due, not to the Act of 1844, but to the want of sufficient caution and discretion on the part of the Bank Directors?—They have had a sufficient reserve to meet their liabilities; that is, they have always been able to replenish it in time; but they have been able to do so only by selling securities or diminishing their discounts very rapidly and suddenly, because of the insufficiency of their reserve to meet the whole of the drain. Now it appears to me that this is not a necessary evil, but an evil owing to the Act of 1844. By the authors of the Act it is laid down as a broad principle, that the paper currency should conform to a metallic currency. I apprehend the meaning of that is, that the permanent or standard value of the paper currency should be the same as that of a metallic currency; but not that it should have the same fluctuations. It does not follow, because we ought to make the permanent value of the paper currency conform to the value of a metallic currency, that therefore we ought to have the same fluctuations which occur in the value of a metallic currency. The fluctuations to which the value of a convertible currency is subject, depend not upon anything that affects either the metals or the bank notes, but upon general extensions or contractions of credit. The currency which is the least liable to violent contractions of credit, will be the currency with the fewest fluctuations. Therefore, if a convertible paper currency, issued by bankers and not restricted by Act of Parliament, is likely to lead to fewer variations in credit than a metallic currency, it appears to me better than a metallic currency, and better than a paper currency which is obliged to conform to a metallic currency.

2298. Then I understand that the ill effect which you ascribe to the Act of 1844, is by comparing the actual state of things, not with any actual metallic currency, but with some imaginary system which you think would be more perfect?—Not exactly so; what I mean is, that no currency can be good of which the permanent

nent average value does not conform to the permanent average value of a metallic currency; but I do not admit the inference that in order to enable it to do this, its fluctuations in value must conform to the fluctuations in the value of a metallic currency; because it appears to me, that fluctuations in value are liable to occur from anything that affects credit; and I think that a metallic currency is liable to more severe revulsions of credit, than a mixed currency, such as ours was before the Act of 1844; and therefore, that a paper currency of the permanent value of a metallic currency, and convertible, but without any other restriction, is liable to less fluctuation than we now have under the Act of 1844.

2299. I understand your opinion to be, that the great advantage of unrestricted issues, as compared with the existing system, would be this; that in times of great commercial difficulty the Bank might draw upon the additional quantity of bullion which it keeps as a security for its notes for the purpose of sustaining credit in times of panic?—I should rather state it in this way, that they will not be obliged to contract credit in cases in which there had been no previous undue expansion of it.

2300. I am supposing the case of a drain in consequence of over speculation; in that case I understood you to say that the advantage of the system of unrestricted issue which you advocated, would be this; that when a panic did come after periods of over speculation, the Bank then would be able to use its whole reserve, consisting of the bullion that is now in its banking department, and so much of the bullion as is now in the issue department, as it would keep under such circumstances; and that it would therefore have a larger fund to draw upon to sustain credit than it has now?—I would state it even more strongly; because in the case you are supposing, which is not a case where there is any doubt about the convertibility of the Bank note, the Bank might issue notes to any extent they were asked for, as they did after 1825.

2301. You admit that there might be a very great extension of its issues under those circumstances?—I think there ought to be in those circumstances, because there is such a destruction of ordinary credit, that it is necessary that some credit should come in to take the place of what is destroyed, in order to prevent great calamities.

2302. Such extension of issues would increase the total amount of circulation much beyond what it would be, if it were a purely metallic currency?—Very much beyond. That is a great advantage, because one of the great inconveniences of a metallic currency is, that it is impossible for it to come to the assistance of a drain in those emergencies.

2303. You do not agree with Mr. Tooke in thinking that a mixed circulation of convertible paper must fluctuate always as a metallic currency?—I am not aware that Mr. Tooke thinks that it must fluctuate in quantity as a metallic currency would; I think it is a great advantage of our currency, as it would be without the Act, that it does not fluctuate exactly as a metallic currency would.

2304. In stating the advantages that would be obtained in a time of extreme panic by the system you recommend, you admit that they would be purchased at the expense of a certain disadvantage, namely, that the commercial crisis, when it did come, would be more violent than it would be if it was checked in time, as it is now checked by the operation of the Act of 1844?—I think the Act does check it in its earlier stages, when the crisis has proceeded from over speculation. At the same time, I think there is every probability that the Bank would now act in such cases exactly as the Act prescribes, even if the Act did not exist.

2305. Would there not also be this possible great disadvantage, that under a system of unrestricted issues, if notwithstanding the assistance which the Bank rendered to the public they were unable to stop the panic, it would be enormously aggravated by the alarm of every note-holder throughout the country?—That is supposing a case that is not likely to happen, unless the country were in possession of a foreign army. I can hardly imagine any other case in which there could be any doubt as to the sufficiency of the notes of the Bank of England to secure anybody who possessed them. We know that at the time of the panic in 1825, there was never a doubt for a single instant about the notes of the Bank of England.

2306. But sometimes a panic is not always governed by reason?—No; but in such an extreme case any system of credit or banking must break down.

2307. With respect to a foreign drain, such a drain as is produced by a bad harvest, or by foreign remittances of the Government, of course turns the exchange against this country?—Yes.

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2308. Must not that amount of drain ultimately be paid for and the exchanges corrected by the operation of the trade of the country?—Not necessarily; it may be by mere transactions in securities, by transfers of securities from one country to another.

2309. But as a general rule, would you not say that you must look to the trade of the country?—It is of very great consequence, I apprehend, whether the effect is produced through an action on the prices of commodities, or without that action; because that affects a much larger class of persons than could be affected by changes in the price of securities.

2310. You have expressed an opinion that such a drain ought to be met by the reserve of bullion in the Bank rather than by an action on discounts; now, supposing the reserve of bullion to be nearly drained out, would you think that such a state of things ought to be allowed to continue; or is it not desirable that the Bank should have every motive so to act, by contracting its discounts, as to correct the exchanges?—It would always have that motive when its reserve got low; it would necessarily be obliged to take such measures; the only difference would be, that it need not take them so violently; because if the drain should be a limited drain, a drain arising from a cause not permanent, of course as to so much of the drain as had already taken place, it would be unnecessary for the Bank to provide for it by restricting its discounts.

2311. Under a system of metallic currency all these matters would be regulated by the natural laws which govern the distribution of the precious metals?—Yes.

2312. Do not you think that upon the whole that system is more likely to be safe and right than by entrusting the regulation of them to the discretion of any body of men whatever?—It seems to me that natural laws would equally operate in the other case. The course that would naturally be followed in a case of panic, for instance, is exactly the one which the Act prevents, namely, to come to the assistance of trade at a time when there is a great destruction of credit, which the Bank would always do if it were not prevented, but which it cannot do now in those cases, unless the Act is suspended.

2313. You said that you were in favour of allowing country banks, as well as the Bank of England, to issue notes without any other restriction than convertibility, or, at all events, that you saw no need of restriction from the fear of over-issues; will you state what you mean by "over-issues," because you have already told us that you admit that it is possible that issues of paper may be in excess of that which a metallic circulation would supply?—By over-issues, I mean such as create undue speculation, or maintain it when it ought to be checked. In any other sense I do not conceive that there can be over-issues so long as convertibility is maintained.

2314. Then your opinion is a theoretical opinion; it is not deduced from the fact that there have been no such issues?—It is my interpretation of the facts that have taken place.

2315. Do you remember the case of the American banks in 1835, when the issues rose from about 100,000,000 *l.* to about 150,000,000 *l.* in the course of one year?—Yes, but I have always understood that there was not practical convertibility at that time.

2316. They were legally convertible, were they not?—The fact was, that either through the influence of the banks, or for some other reason, they were not convertible. In the next place, I admit that in a period of violent speculation, that speculation may be ministered to by banks; not that they do so in the commencement, at least not by means of their notes, but they may prevent speculation from being early checked by the necessity of re-selling goods that had been speculated upon.

2317. Mr. *Weguelin.*] Has not your examination to-day turned entirely upon the management of the Bank as a bank of deposit?—It seems to me to involve the whole management of the Bank, as far as the currency is affected by it.

2318. Has it not turned mainly upon the management of its deposits?—I think it has turned mainly upon the deposits, for this reason, that it is chiefly, in my opinion, by not attending to the management of the deposits that the promoters of the Act have been led to what I consider a wrong conclusion.

Veneris, 19° *die Junii*, 1857.

MEMBERS PRESENT.

Mr. Ball.	Mr. Hildyard.
Sir Francis Baring.	Mr. Hope Johnstone.
Mr. Blackburn.	Mr. Puller.
Mr. Cayley.	Mr. J. L. Ricardo.
Mr. Disraeli.	Mr. M. T. Smith.
Mr. Ennis.	Mr. Spooner.
Mr. Fergus.	The Chancellor of the Exchequer.
Earl of Gifford.	Mr. Tite.
Sir James Graham.	Mr. Vance.
Mr. G. A. Hamilton.	Mr. Weguelin.
Mr. Hankey.	Mr. Wilson.

THE RIGHT HON. THE CHANCELLOR OF THE EXCHEQUER, IN THE CHAIR.

John Gellibrand Hubbard, Esq.; called in, and Examined.

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2319. *Chairman.*] WERE you Deputy Governor of the Bank from 1851 to 1853, and Governor from 1853 to 1855?—I was.

2320. How many years have you been in the Bank Direction?—Since 1838.

2321. Uninterruptedly?—Not quite uninterruptedly, because as eight Directors are liable yearly to go out of office by rotation, each one may be out every third year or every fourth year, according to the number of accidental vacancies; perhaps I have been absent from the Bank altogether five years during that period.

2322. I need hardly ask you whether you are well acquainted by practical experience with the provisions and operation of the Bank Act of 1844?—I have made it very much my study since the Act was passed, and I paid much attention to the subject before the Act was passed.

2323. With regard to the Acts for Scotland and Ireland in 1845, you are doubtless also, though not from practical experience, acquainted with their provisions and effect?—I am acquainted with their more important provisions.

2324. One of the important features of the Act of 1844 is the separation of the departments of the Bank of England into the issue department and the banking department. Will you state to the Committee what, in your opinion, was the policy upon which that separation was introduced in 1844?—It is difficult to state the policy upon which it was introduced, because I have no means of knowing what was in the mind of the main mover of the scheme, Sir Robert Peel, and I can only state what my own view is of the effect of that separation of accounts.

2325. Will you state what you think has been the effect of the separation since 1844?—I think the effect of that separation has been, both in a scientific and in a practical view, of the utmost importance and highly beneficial. It has been so in a scientific view, because the effect of the separation was to give a legal affirmation to the true character of currency by removing it from being confounded with bills of exchange, with promissory notes, with deposits and with book debts, and in fact, from the whole category of mere banking expedients and representatives of credit. Then in a practical point of view, I conceive that it has been highly beneficial, because it has enabled the Bank of England to give its attention wholly to those concerns to which alone a banker ought to have to direct his attention; namely, to a consideration of his liabilities upon his deposit accounts, and the claims likely to be made upon him for advances by his various customers.

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2326. Do you believe that the effect of the enactment has been such that the two departments have been practically separate though managed by the same body?—I believe that in action they have been as perfectly separate as if the one department had been in the Tower of London, and the other where we are sitting now, and that there has been no other connexion between the two departments than they would naturally otherwise have had when one branch required of the other notes for gold or gold for notes. The great advantage of their being together is, that by that means the very large transactions of the Bank of England are performed with great economy of time, and with the absence of risk from the close proximity of the two departments to each other; so that in fact in walking from one room to another, you at once pass from the banking to the issue department.

2327. You are aware, that upon the assumption that the two departments, though managed by the same body, are practically distinct, it has been objected to the present law that it cuts the bullion into two portions, and puts the smallest portion into the banking department; do you think there is any force in that objection?—The affirmation is true enough, because the banking accounts show that in the banking department no more bullion is held than is really necessary for their convenience. The average amount of bullion held in the banking department is about 600,000 *l.*; all the rest of the bullion is in the issue department. But as to inconvenience there is none, and I cannot conceive by what statement or process of reasoning it can be shown that inconvenience or disadvantage could arise in any way from this separation.

2328. The note reserve in bullion in the banking department consists in fact of mere vouchers for so much bullion in the issue department?—They are vouchers for bullion, in the same way that every bank note is a voucher for bullion, inasmuch as the notes are convertible into bulion.

2329. Is not a bank note in the hands of the public different in its nature from a bank note in the banking reserve of the Bank of England, upon which no claim against the Bank can be founded?—I do not see the slightest difference. The two are precisely alike in their character, in their form, and in their tenor. There is no possible difference between a bank note of any amount in the reserve of the Bank of England, and a similar bank note in the hands of Smith, Payne & Co., of Jones Loyd & Co., or of any individual.

2330. The reserve of notes in the banking department is in fact the measure of the issuing power of the Bank of England at any one moment?—The reserve in the banking department of the Bank of England represents the uninvested deposits of the Bank of England, which it holds at the call of its constituents.

2331. May not it properly be described as the amount of notes which, taking the provisions of the law, and the existing stock of bullion, the Bank is capable of issuing?—It is a reserve of notes which they hold in the same way that any other banker would, as a reserve for the applications of those who have a right to demand it.

2332. But what makes the unissued notes a definite quantity in the hands of the Bank of England, whereas it would be an indefinite quantity in the hands of any other banker, is the provision of the law, which places all its issues in excess of a certain amount under certain conditions?—Yes; but for that very reason it is an indefinite quantity. The notes in the reserve of the banking department are an indefinite quantity, varying from a very small amount to a very large amount, that quantity being determined by the amount of deposits made with the Bank, and uninvested by them.

2333. It is indefinite, in the sense that the quantity of bullion which the Bank may acquire is indefinite; but is it not definite at any one moment, being fixed by the actual amount of bullion in the cellars of the Bank?—No, it is not fixed by the amount of bullion in the cellars of the Bank. The amount of bullion in the cellars of the Bank, although it has a powerful influence upon the amount of the reserve, is not the determining measure of that amount. There is a very strong affinity between the amount of the reserve and the variations in the bullion, but it is not a positive one: it depends upon many circumstances. It depends in the first place, as regards the issue department, upon the greater or less amount of notes required by the public. A greater amount of circulation out of the Bank of England, say 20,000,000 *l.*, leaves a less amount of reserve in the hands of the banking department than if the circulation out of doors was 18,000,000 *l.* The two things are perfectly distinct, and can be reasoned

reasoned upon separately ; there is a strong affinity between them, but the one is not the measure of the other.

2334. But does not the note reserve in the banking department depend strictly upon the amount of bullion in the issue department?—Not strictly. The bullion in the issue department becomes the measure of the entire issue of notes, and of those notes so issued the public outside the Bank may take a larger or a smaller amount, and as they take a larger or a smaller amount, so there remains a smaller or larger amount inversely in the Bank of England.

2335. But taking the amount of notes in the hands of the public as a fixed quantity, and the bullion in the issue department as another fixed quantity, is not the note reserve in the banking department absolutely measured by those two quantities?—Precisely ; assuming those two points as fixed, the other is fixed also.

2336. But is it not fixed only on account of the existence of the provision in the law, which compels the Bank to issue against bullion when the notes are in excess of a certain quantity?—But for that provision we should not have the Act at all, and then we fall back upon the old state of chaos in which we were before 1844 ; and from which we were extricated by this Act.

2337. Supposing, for the sake of hypothesis, that a division between the banking department and the issue department existed, but that there was not this provision respecting the issues against bullion when the circulation was in excess of 14,000,000 *l.*, in that case the reserve of notes could not be a fixed quantity; that is to say, the quantity is not fixed simply by the separation of the two departments?—The existence of the issue department appears to me to be bound up with the principle of the limitation of credit issues. If there were not that principle at the foundation of the separation, there would be no object in having a separate issue department. Its function is to act upon that one simple rule.

2338. You consider the separation of the departments as an arrangement ancillary to what may be considered the principle of the Act, namely, the limitation of the issue of notes?—Distinctly so.

2339. Do you believe that the reserve of bullion in the Bank is acted upon by all drains, both home drains and foreign drains, in the same manner?—Whatever abstracts a certain amount of gold from the issue department of course acts precisely in the same way, whether the gold goes to the continent or goes to Ireland or to Scotland, or is temporarily spread over the midland counties for some manufacturing purpose, and diminishes *pro tanto* the amount of bullion in the issue department.

2340. What do you think in general has been the effect of the separation of the two departments upon the issue department?—The office of the issue department is the simplest that can be imagined. The constitution of the issue department assumes and enacts the creation of 14,000,000 *l.* of credit paper, and subsequently a mere exchange of notes for any gold that is brought to it, and the re-exchange of those notes for gold when gold is required. It is so purely a mechanical operation, one in which there is no room for opinion or feeling, that very little can be said about it; it is the simplest and the most useful proposition that can be conceived for putting our currency upon a perfectly solid basis.

2341. It may be presumed that the main object of the Act was to prevent any excessive issue of paper, and to cause the Bank to keep always a sufficient reserve in bullion. Now do you believe that the operation of the Act since 1844 has been to cause the Bank to keep a greater reserve of bullion than it would have kept but for the existence of the Act?—I have not the slightest doubt that the amount of bullion which has been held in the Bank of England is considerably larger than would have been held had the Bank Act of 1844 not passed. I say that without referring to the extraordinary supply of bullion arising from the discoveries of gold in California and Australia. I think it may be proved in this way: the average amount of bullion held by the Bank of England in the 10 years ending 1844 was something under 7,000,000*l.* sterling. The average amount held in the bullion department since 1844 in 10 years is 15,000,000 *l.* sterling. That again might be supposed capable of being considerably influenced by the importations of gold in consequence of the new discoveries; but then I would go on to answer the question which you have propounded by showing that with a given amount of bullion the rate of interest has been very different in the last 10 years from what it was before that. Whereas, for instance, pre-

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viously to 1844, when there was 6,000,000 *l.* or 7,000,000 *l.* of bullion, the prevalent rate of interest was 4 per cent., the same rate of interest has prevailed since 1844, when the amount of bullion has been between 12,000,000 *l.* and 16,000,000 *l.*, showing necessarily that the amount of bullion has been considerably greater in the last 10 years than it was in the 10 years previous to 1844.

2342. You are doubtless aware that Mr. Tooke in his book has expressed an opinion founded upon investigation, that the greater reserve of gold kept by the Bank since 1844 has been owing exclusively to the gold discoveries and not to the Act of 1844. You have come to a different conclusion after careful consideration?--I have seen that opinion stated. I am not aware by what process Mr. Tooke would undertake to prove it, but I think the facts which I have now alleged could hardly have been observed by him when he made that remark.

2343. Is it not the fact that not only the average amount of gold in the Bank in the ten years before 1844, was considerably less than in the ten years since 1844, but that the minimum amount, which is more material, also was considerably less in a series of years?—Since 1844, it has been almost impracticable to reduce the minimum amount of gold below 8,000,000*l.*, because the 8,000,000 *l.* together with the 14,000,000 *l.* of credit issues made such an amount of currency as was barely sufficient, with the circulation of the country, for the reserve of the Bank itself; so that before the diminution of bullion reached 8,000,000 *l.* the corrective measures had been sufficient to arrest its efflux and to effect its reintroduction through the ordinary commercial channels.

2344. You believe therefore that the effect of the present Act has been indirectly, though not by express enactment, to compel the Bank to keep a minimum reserve of not less than 8,000,000 *l.*?—That has been its practical effect.

2345. Although the quantity of bullion in the country may have increased, would it necessarily follow that the Bank would materially have increased their reserve of bullion if there had been no alteration in the law?—No; there is no affinity between those two positions.

2346. The mere pecuniary interest of the Bank would always lead it to keep as small a reserve as would be sufficient to enable it to sustain its credit?—Under the present law undoubtedly.

2347. And under any law?—Under any law, except that when notes had claims on the reserve, there was a more complicated liability than the necessity to protect the deposits and to provide for the discounts; and it was far more difficult for the Bank to consider all the difficulties it had to encounter and the claims it had to answer.

2348. Are you aware of the nature of the limit which has been proposed by Mr. Tooke and adopted by Mr. Newmarch, with respect to the reserve of the Bank?—I am not quite sure whether I know what it is.

2349. It is something of this nature, that instead of any statutory limit, there should be an understanding with the Government (reduced, I presume, to some intelligible and distinct form) that the Bank should, upon an average of about five years, keep a reserve of bullion of not less than 10,000,000 *l.* or 12,000,000 *l.*, and without any other limitation whatever. Do you think that would be as effectual, or less effectual than the present system?—It appears to me that it would be a capricious, a very cumbrous, and a very expensive process, because it would make the action of the Bank wholly artificial, and would expose it at times to an action which is thoroughly at variance with true commercial principles. I cannot conceive any object to be gained by it.

2350. Does it appear to you that it would be advisable to limit the issues of the Bank upon the principle of an average; would not the principle of an average compel the Bank to keep a larger reserve at times than was needed, if at some previous time the reserve had been less than was desirable?—I see no object whatever in doing that; on the contrary, I think that any interference with the simple process of banking, when it is once put upon a sound footing as regards the currency, is only an injury which should be carefully abstained from. I can see no good whatever in stipulating for an average reserve; the reserve of the Bank of England is a matter over which it has only an indirect control, because the main points of influence are matters which are not only beyond the power of the Bank to control, but beyond the power of any human legislation or arrangement whatever.

2351. I understand Mr. Tooke to say that the present Act is, in his opinion, an

an interference with the natural course of banking, and that he objects to it as being too great a restriction upon the action of the Bank, and that he proposes his limit as a substitute for the present limit, and an improvement upon it?—My notion is exactly the reverse. At present the banking arrangements of the Bank are perfect; I am not aware of the slightest restraint upon them, nor am I aware of the slightest restraint upon the action of the issue department, except at that point upon which limitation is an indispensable ingredient, namely, the creation of credit money. When you have once declared by law that 14,000,000*l.* is the measure of the credit issue, you have done everything; you require no more than those few words to constitute the whole restriction of the present system. The banking operation is perfectly free, and the action upon the issue department is perfectly free; I observe people talk about the restriction of the circulation; there is no limit to the amount of circulation; there is no amount of circulation which the people of this country can want, that they may not have if they please under the present system, because they have only to turn a portion of their invested capital into gold to get any circulation which they require.

2352. The present law puts no limit upon the issue of the Bank, but it merely says that beyond a certain amount their issues must be against bullion?—Precisely.

2353. The effect of a limit framed upon the principle recommended by Mr. Tooke would be to compel the Bank to keep a certain amount of bullion, which the present law does not require them to keep?—Practically you might attain that object by diminishing the amount of credit issue. If you diminished the credit issues from 14,000,000*l.* to 10,000,000*l.*, you would undoubtedly have, not only the average, but the minimum amount of bullion above 12,000,000*l.*; I think it would very rarely go below that; but it would be throwing away the advantage of economising 4,000,000*l.* of capital.

2354. It has been proposed to raise the present limit from 14,000,000 *l.* to 16,000,000 *l.*, or some other amount; what is your opinion upon that question?—It is impossible to give an opinion upon that question as regards the Bank of England, without bringing into consideration the issues of the English country banks at least, and possibly of the Scotch and Irish banks. If it were taken simply as touching the Bank of England, I should say that the present amount of issue is sufficient; but I think that the restriction of re-issue against the lapsed country notes to two-thirds was an unnecessary restriction. I think the Bank might have re-issued to the full amount of the lapsed circulation; but beyond the addition of that amount I should not say that at the present moment it would be desirable to extend the amount of credit issue.

2355. The Order in Council now in force enables the Bank to go to the extent which the law permits, that is to say, two-thirds of the lapsed circulation?—Yes.

2356. You think that the Bank ought to be permitted to go to the whole extent, that is, the three-thirds?—It is a matter of perfect indifference to the Bank whether the whole of that addition to the credit circulation is made or not; the Bank has no pecuniary interest whatever in the arrangement. I merely say that I think that that further economy of capital might have been safely made. The principle upon which the Act of 1844 restricted the re-issue to two-thirds of the lapsed country circulation was this, that the country banks having say 9,000,000 *l.* of notes out, they were supposed to hold 3,000,000 *l.*, or one-third, of gold against the 9,000,000 *l.*; and that, therefore, if their circulation lapsed, the Bank of England should occupy the same position, and should consequently hold one-third more bullion against the whole amount of notes, or, which comes to the same thing, that they should only issue two-thirds of that additional credit circulation. Now my notion is, that the country banks never held anything like one-third of the amount of gold; and that, moreover, what gold they did hold was not against their circulation, but against their deposits. As against their deposits those banks were bound to hold a considerable reserve.

2357. You think that the effect of this provision has been, that it has introduced a new bullion security for that portion of the lapsed circulation which the state of things hardly requires?—I think it has.

2358. Supposing the limit of credit issues of the Bank of England were raised from

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from 14,000,000 *l.* to 15,000,000 *l.* or 16,000,000 *l.*, or any other amount, what do you believe would be the effect of that change; would it increase the quantity of notes in the hands of the public, or would it simply diminish the bullion reserve of the Bank, or would it have any other effect?—The effect of it in the first place would be to place an additional amount of notes in the reserve of the Bank. That addition to the unemployed capital of the country would tend to make money so much cheaper, and that, in its natural effect upon the exchanges through the value of securities, would lead ultimately to the export of bullion, so as to leave the amount of notes precisely what it was before. I hold that the amount of notes in the hands of the public can with great difficulty be affected to any extent. The notes in the hands of the public, (I do not include in this argument the notes in the hands of bankers,) the notes in the hands of the public proper, are always at the lowest amount they can have, because whatever money a man has in that form, is to him perfectly unproductive; he keeps as little as he can, and parts with it as soon as he can; so that you can never get the public to hold in their pockets, or in their boxes or chests, more bank notes than they really want. The notes in the reserves of bankers, and of the Bank of England, are determined by the abundance of bullion, which, increasing the general uninvested capital of the country, leaves more in the custody of the bankers themselves. But the notes in the hands of the public are with difficulty affected by circumstances of this kind. There can be no doubt that an additional issue upon securities would lead to the export of a certain amount of gold, for which, of course, we should to receive an equivalent.

2359. If the present limit were raised to 16,000,000 *l.*, the immediate effect would be to add 2,000,000 *l.* to the notes in the banking reserve; it would be equivalent to saying that 2,000,000 *l.* of bullion in the issue department would be represented by 2,000,000 *l.* in the banking department; but you think that after a time 2,000,000 *l.* of bullion in the Bank would be exported?—Yes.

2360. Do you mean that bullion in the Bank would be exported, or that bullion in the country generally would be exported?— Bullion from the Bank.

2361. Then, after a time, the effect would simply be this, that the notes in the hands of the public would not be increased, but the bullion reserve of the Bank would be diminished by the exact amount which was added to the credit circulation?—Precisely.

2362. Do you not think that there is a vague impression on the minds of a number of persons, who are anxious to raise the credit circulation of the Bank, that there would be an increase in the quantity of notes in the hands of the public; and that in that manner, according to your mode of expressing it, money would be much cheaper?—It is impossible to surmise what wild and strange ideas are not entertained. I think I have seen that expressed amongst others, but it is one for which there is not a shadow of foundation.

2363. You hold that to be a complete error?—Perfectly.

2364. Do you think it probable that many persons who are in favour of that measure, are in favour of it because they think it will produce an effect, which you feel convinced it would not produce?—I have very little doubt that is their impression.

2365. With regard to the effect of the separation of the two departments, the issue and the banking departments, do you think that this separation has any influence upon the Bank rates of discount?—The effect of the separation of the two departments has been to make the Bank look more closely and more accurately at its position as bankers, and so far perhaps it has induced it to obey more closely than it otherwise might have done the natural laws which ought to regulate the value of money; but those laws are themselves totally beyond the power of the Bank to control. I must confess my amazement at finding people censure or praise the Bank for making the rate of interest high or low, when the Bank has no possible power to make it the one or the other. The fact is, that the variations in the rates of interest arise from causes which are in the hands of Providence itself: a drought in the spring or a wet summer, a frost in North America, or a hailstorm in the south of Europe, are circumstances which may materially influence the rate of interest announced by the Bank of England; the Bank of England does not cause that rate, it only gives expression to the fact that it exists.

2366. It is a fact that the variations in the Bank rate of discount have during the

the last few years been frequent and considerable, is it not?—They have been so.

2367. But you think that has been merely coincident in point of time with the operation of the Act of 1844, and that it has not been in any way caused by it?—It would have been the same, or ought to have been the same, if there had been no Bank Act whatever.

2368. Do you think that the Bank of England by its large capital and its constant habit of discounting, and the great and important influence of its position, has a considerable power of affecting the rate of discount, as some people suppose; or do you believe that the operations of the Bank, as compared with those of the general market, are not sufficient to influence that rate?—There is one particular period when the Bank of England may most materially affect the rate of discount. I take the very incident of yesterday. The Bank of England yesterday altered the rate of discount from 6½ per cent. to 6 per cent. I believe the rate of discount might have been maintained at 6½ per cent. up to the payment of the dividends, because at this period of the year large receipts from the Exchequer throw into the hands of the Bank a considerable increase of reserve, and if they had insisted upon the existing terms of discount, there is no doubt they could obtain them up to the period of the payment of the dividends.

2369. That is to say, from the middle of June to the beginning of July?—From the middle of June to the beginning of July. But setting aside those exceptional cases, the Bank of England have no power of permanently affecting the rate of discount either upwards or downwards; and the Bank of England, in my experience, has never taken the lead in varying the rates of discount; it is generally, when the rate of interest goes up, a little below the rate, and when the rate of interest goes down it is a little above the rate; in fact, it is always carried with the stream, or rather it feels itself bound, in duty to its constituents, to concur in the value of money which prevails externally to the Bank. The Bank has customers who are dependent upon it for banking accommodation; the Bank can hardly, without injustice to its customers, refuse to lend them money at the current rate of discount when the rate of discount is low; even if the rate of discount should be 2 per cent., the Bank can hardly, with fairness to its customers, propose to charge them 3 per cent.; and in that way the Bank has been compelled, from time to time, to comply with the existing facts; but the Bank only complies, it does not make those facts; and I venture to observe, that the Bank has never taken the initiative in those alterations of the rate of discount, nor has it ever gone to the full extent of its variations. I can refer the Committee to the last period of the very great abundance of money, which was in 1852, I think. At the commencement of 1852 the rate of money for discount was 2½ per cent. In the beginning of February the money brokers of Lombard-street lowered their rate to 2¼, they subsequently lowered their rate to 2 per cent.; but only when the rate in Lombard-street went down to 1⅞ths per cent., did the Bank of England lower their rate to 2 per cent. They were so unwilling to join in what, however inaccurately, the public might consider to be a sort of declaration from the Bank that money was to be habitually cheap, and that they might count upon its continuing so through any speculative operations they might make, that they have always reluctantly followed the extreme downward course taken by the money dealers. So again, at the other end of the scale, when the amount of the claims upon the Bank are very large and their rate is high, it will always be found that the rate out of doors is higher still, and they have had the difficult, but so far the successfully performed task of always supplying the necessities of commerce, without ever aggravating the difficulties with which they had to deal.

2370. An opinion has been expressed to this Committee by Mr. Newmarch that it would be desirable that the Bank of England should adopt, as a rule for the guidance of their discretion, that their rate of interest should never be under 4 per cent.; would you be in favour of such a rule as that?—When all our barometers are screwed up to set fair, I think it will be quite time to have a fixed rate of interest of 4 per cent. I am perfectly amazed in the nineteenth century at such a doctrine being held. The Act of 1844 released the Bank of England from the vain attempt to maintain an uniform rate of discount in the face of a varying value for money on loan. The Bank of France had tried to follow out the same false system, and they were driven from it a few years back; they

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they were driven by the pressure of 1847 from 4 per cent. to 5, and subsequently, to 6, and now in the last revision of the Charter the Bank of France has received permission to extend that 6 per cent. to any rate they find it necessary to charge; and very recently the Banks of Turin, and of Genoa, have received the sanction of the Sardinan government, to raise their rates above 6 per cent. In fact, throughout the commercial world the necessity of complying with the circumstances affecting the value of money, appears now to be so universally received, that I am amazed at a proposition for a minimum rate of discount of 4 per cent. being again made, as regards the Bank of England.

2371. Would not the establishment of such a rule as that amount to a stoppage of the Bank discounts in every case, when the market rate of discount was under 4 per cent.?—Perfectly.

2372. But the Bank might resort to indirect means for evading the rule?—The Bank can never have recourse to evasive measures. I conceive that it is their duty to do whatever the law may impose upon them, but as regards the public at large I suppose that, as to the consideration which Mr. Newmarch has suggested, the effect would be wholly neutralised, because the Bank of England does not make the rate of discount; the Bank of England is perfectly helpless in arresting a fall in the rate of discount; the Bank of England never charged less than 4 per cent. up to 1844, and the value of money in 1843, before the Bank Act was passed, fell as low as 1½ per cent.

2373. My question did not intend to imply that the Bank would resort to any improper means for evading the rule, but that they might find means of doing indirectly, that which they were restrained from doing directly; for instance, they might lend upon securities, or make advances in other ways, at a lower rate than 4 per cent. Do you not think that that would be the result?—There is no doubt that every false system is practically evaded; it never can prevail to the injury of the community; the community are ingenious enough to find out means of evading whatever false restrictions the Legislature may throw in the way. In this way, undoubtedly, the difficulty would be met as regards the Bank of England. The Bank of England would lose all its discount business. The customers of the Bank who are enabled now to apply to it as they would to other bankers, would be obliged to go somewhere else to discount their bills; a greater amount of discount business would be thrown upon other financiers, and the Bank of England would have a larger share of other securities; they would lend more money to railway companies and to corporations; they would find other ways of lending their money, equally perhaps to their own advantage, but certainly to the inconvenience of their own customers.

2374. They might lend to bill brokers on securities, who would then discount bills for their customers?—So they might, which would have the effect of entirely evading any possible object of the restriction.

2375. That would be an indirect way of accomplishing the same object even consistently with the literal observance of the rule?—Yes.

2376. With regard to high and low rates of discount, when there is a great demand for money, the rate of discount is naturally high; would not the large demand for money at such a time naturally lead to extensive discounts on the part of the Bank of England, although the rate of discount might be high?—When the Bank has raised its rate of discount, it was always because the increased demand upon it for discount rendered it necessary to take a step which was in harmony with the prevailing value of money; and you will find that so far from the Bank of England restricting its accommodation to the commercial classes under the circumstances of a high rate of discount, they have in fact always considerably enlarged their accommodation. A reference to a table that I have in my hand now will show that there is an invariable concurrence of a low rate of discount and a small amount of bills, and of a higher rate of discount and a larger amount of bills; in fact, it is the increased demand for loans on discount which drives up the rates of discount both out of the Bank and in the Bank.

2377. Therefore the quantity of bills discounted by the Bank is greatest when the rate of discount is highest?—The largest amount of bills discounted by the Bank is when the rate of discount is highest. That is the prevailing feature of the accounts of the last ten years, and I believe of the last twenty years.

2378. On the other hand, when there is no very great demand for money the rate of discount is naturally low, but that limited demand for money at the same time,

time, leads to a limitation of the discounts of the Bank?—Those results are perfectly in harmony with what I before stated, that the Bank never either goes so low or so high as its competitors, so that it cannot outstrip them in the race for bills, and it naturally loses under a falling value of money the amount of discounts which it had previously held.

2379. Is it your opinion that the Act of 1844, by obstructing the giving of accommodation to the public by the Bank, has a detrimental influence upon the operations of trade and commerce?—It so happens that the fact alleged does not exist; the very reverse happens to be borne out by a reference to the accounts of the Bank, and therefore the charge of course has no incidence against the Bank.

2380. You do not believe that it could be shown that under the Act of 1844 either the power or the disposition of the Bank to accommodate the public has been diminished?—Previously to the Act of 1844 the Bank had the power of issuing illimitably its promissory notes; and the consequence was, that all bankers felt themselves in this position, that they might invest their securities to almost any amount; they might leave themselves with a reserve almost negative, and yet they might always hope to come upon the Bank of England with their securities, and exchange those securities for Bank of England notes, to meet the calls from their depositors. Now, the effect of that over investment was to place commercial engagements in a dangerous dependance on an over-strained credit. The bankers of London had of course immense amounts deposited with them, and of those deposits they invested a considerable portion in securities; another portion they deposited with bill brokers on call, that is to say, with power to withdraw the money at a day's notice, and a further portion they kept in actual cash, either in their own tills or at the Bank of England. Now, everything depends, as regards the prudent management of a banker, upon the amount of cash reserve which he habitually maintains. Under the old system that amount might have been reduced without incurring any danger to the banker, because the Bank of England was considered an unfailing source from which money might be drawn in case of emergency; and it will be obvious that when bankers can over-bank to any extent without danger to themselves, they are extremely tempted to do so; and in that state of things the whole credit system of the country is in danger of being injuriously inflated. The way in which, under a pressure for discounts, or a withdrawal of deposits, those bankers acted was this—upon the withdrawal of their deposits, or upon large applications for discounts arising, they withdrew their money from the bill brokers, and the bill brokers then came to the Bank of England for relief. That was the case in the year 1847; upon which, perhaps, I may have an opportunity of remarking more particularly by-and-by. But the change which has been effected by the Act of 1844 has been this, that the Bank of England now has no such unfailing supply of notes; the Bank of England, as a bank, has limits to its means; its means are larger, perhaps, than those of any other bank, but still they have a limit; and it cannot undertake, and does not undertake, and it is quite right that other banking bodies in London and the country should understand that it does not pretend to be able at any moment to turn into cash for them the Exchequer bills and Consols, or other Government securities, when they ought, with due prudence and proper management, to have kept the cash themselves. Now I find, in the papers before the Committee, a communication from the managers of one of the chief banks in Scotland. I find that the deposits of those banks are no less than 50,000,000 *l.* As far as I can judge from some statements I have seen, the amount of gold actually held by them against 50,000,000 *l.* of deposits is something under 1,000,000 *l.* sterling. Now, suppose any large demands to fall upon the deposits of those banks, they must sell out their stock in London, or they must withdraw from the bill brokers in London the amounts which they have deposited with them at call, and under either contingency an increased demand is made on the reserve of the Bank of England. Previously to 1844 the Bank of England stood in the position of having to answer all those claims—and it really could answer them in paper—and even since 1844, according to the popular apprehension, the Bank is still bound to answer all those claims; but the Bank does not recognise that responsibility now; the Bank could not always meet those responsibilities, but the Bank has wonderfully succeeded up to the present time in meeting them; it met them even in 1847. I have been anxious to draw a distinction between the power of the Bank to stand in

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the position of a source of supply to the bankers, who over-bank now, as compared with the position in which the Bank stood previously to the passing of the Charter Act of 1844.

2381. Will you state in what way, in your opinion, the transactions of 1847 bear upon the question as to the power of the Bank to accommodate the commercial public?—The circumstances of the monetary crisis of 1847 are so well known that I need not remark upon them to the Committee; but I will just put before them the circumstances under which the Bank did endeavour to discharge the supposed obligation of assisting the banking and commercial community under the pressure for money, which was caused by the very heavy payments which this country had to discharge, and did discharge, in return for an extraordinary import of food from all parts of the world. The effect of these heavy drains upon the currency of the country was, under the process I before described, to throw upon the Bank of England a very large amount of bills for discount, and the necessity of making large advances; and those advances were made to the whole trading community, not only to the merchants, but to the bankers and to brokers; and to show the extent to which the Bank exerted itself to meet those calls, I will state this fact, that whereas the whole of the deposits of the mercantile community at that time were about 5,500,000*l.*, and the deposits of the banking community about 1,500,000*l.*, making together 7,000,000*l.*, the actual advances of the Bank on loans or discounts to the same mercantile community and banking community amounted to 13,000,000*l.* The Bank, in fact, lent the whole of its deposits, both its public and private deposits, entirely to the commercial community in the autumn of 1847. The reserve which it retained was not a reserve deposited with it by the banking and trading community; it was, in fact, a portion of its own capital. Now I believe there are very few bankers who feel themselves bound to do more than to lend back to their customers what their customers, as a body, have deposited with them; but the Bank of England exceeded even that measure of relief; it lent back everything that was deposited with it, and kept its reserve, which was still open to further demands out of its own capital.

2382. Are you of opinion that in the autumn of 1847, the legitimate issuing power of the Bank was in any way crippled by the provisions of the Act of 1844?—I do not think that its power was crippled; but I must admit this, that the Bank then were acting under circumstances which were to them novel; they felt that they had got limited powers compared with those which they formerly possessed of issuing paper money indefinitely, and they were anxious of course not to allow that power to be utterly exhausted at any one moment; I think they hardly acted with so much courage under the circumstances as they might have done; but the chief difficulties were occasioned by the excessive ignorance of the public generally with regard to the action of the Bank, and especially its action periodically; and when the publication of the reserve of the Bank showed it in a very declining state in the commencement of October, the public mind was alarmed, and the alarm of course became what is called a panic, an unreasoning apprehension, which forced people to lock up what money they had got, and to try to get more, in order to avert some impending calamity. It was said at the time, that if the London bankers had withdrawn their balances, they would have drained the reserve. That is quite true, but the Bank had the other side of the question to plead; they could show, that in answer to the claim for the deposits of the bankers of 1,500,000*l.*, they had lent and therefore had claims upon the other side, to the amount of no less than 13,000,000*l.*, which was coming in from day to day; so that the Bank never was in a condition to say, We are either ashamed or afraid of our position. I think the Bank could have gone through that crisis without having any resort to the Government for a license to over-issue; the license was not asked for by the Bank; it was asked for by those who apprehended or imagined that the Bank would not be able as before to provide supplies for them after the exhaustion of their own means. However, the letter of license was never acted upon, for the whole difficulty was one of pure imagination. The issues of the Bank of England did not increase, and from the moment of the letter being written which happened to be the precise turning point in the quarter's payments, the reserve gradually strengthened, as it would have done, precisely in the same way, had the letter not been written. I believe, therefore, that the experience of 1847, so far from showing that the Bank Charter Act is untenable in times of difficulty, proves that it did operate with thorough

thorough success; a success which would be greater under future trials by reason of the Bank feeling more confidence in their own position. But what is more important still, the bankers and the mercantile community will know that they must exercise a little individual prudence, and not consider the Bank of England to be always the dry nurse in the hour of need.

2383. At present it is the established practice of the Government not in any way to interfere to control the discretion of the Directors with regard to the management of the Bank?—Not at all.

2384. Assuming that that is the rule, and also assuming that it is conceivable that some extraordinary circumstances might arise, in which it might be desirable for the Government to release the Bank from the restrictions that are imposed upon it by the Act of 1844, would you prefer that the Government should interfere upon their own responsibility as they did in 1847, or that the power of interfering in certain cases should be conferred upon them by Act of Parliament?—I think that to introduce any provision to meet a contingency would be highly undesirable, because it would have the effect of detracting from the moral influence which the Bank Act now has in enforcing the prudent conduct of all banking and commercial operations.

2385. Therefore with respect to the question of power being given to the Government to interfere in extraordinary cases, you would rather that the law should remain in its present state?—If any events were to occur, from whatever cause, which suspended the whole action of credit throughout the country, the ministers of the day would, no doubt, hold it to be their duty to apply some immediate and powerful remedy; but I think it undesirable to enter upon the contemplation of events which in the ordinary course of things are not likely to occur, and the entertaining of which can only, I think, be detrimental to the proper consideration of the Bank itself.

2386. Does it not appear to you that such a crisis, if it ever were to occur, would be of so extraordinary a nature, that it almost lies out of the domain of the law to provide for it?—Exactly so.

2387. In the event of any circumstances arising which diminish the bullion reserve of the Bank, what steps do they take in order to strengthen their position?—The Bank (by which I mean the banking department of the Bank, which is in fact the Bank in action, the issue department being purely mechanical)—the banking department of course are aware and can judge of the movements of bullion, but their immediate duty is to look to their reserve, and it is by an action upon the reserve that they regulate themselves. If an export of bullion took place, it would be done through one of these two media, either there would be withdrawal of deposit from the Bank, or there would be large applications to them for discounts. If the deposits be withdrawn, the obvious course is to sell securities to such an extent as to restore the due proportion of the reserve. If discounts are urged upon them to an extent which they are unprepared to meet out of their reserve, their obvious course will be to raise the rate of discount, not in order immediately to check their advances, but in order to affect the value of securities and commercial credits, and by that means to arrest the efflux of bullion, and to give a temptation to its re-introduction through commercial channels.

2388. During the late war, particularly during the years 1855 and 1856, there was a drain of bullion caused by the war, and by the remittances of the Turkish loan. In what way were those drains, in fact, met by the Bank of England?—The drains of bullion which took place during the war had the effect both of diminishing the deposits of the Bank, and of increasing the demands upon them for discounts, and their action was therefore twofold—they had both to sell their securities, and also in harmony with the increasing value of money which is always found to exist upon the export of bullion, to raise the rate of discount. Those two measures conjointly maintained the position of the Bank at what it ought to be.

2389. Do you believe that the state of currency and the banking operations of the Bank of England were in a satisfactory state under the pressure which was caused by the war?—If they were not in a satisfactory state, the cause was in the war itself; but in a banking point of view, I venture to say that they were in a satisfactory state. Of course the Bank could not prevent the war, nor could it prevent the consequences of the war. The effect of the war was

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naturally both to reduce their deposits, and to throw upon them an increased demand for accommodation. But the position of the Bank was always, in a banking point of view, perfectly satisfactory; it has been so throughout the whole of the last four or five years; there has been no apprehension in the Bank of their being unable to meet all their duties, and to discharge all their obligations; and I am not aware of any great alarm out of the Bank, except amongst people of a peculiar school, who dislike any amount of pressure or inconvenience, and who think it can be remedied or prevented by legislative measures.

2390. Pressure and inconvenience, if it comes at the right time, may be very advantageous, may it not?—Undoubtedly, it is the only means that I know of, of remedying in any degree the natural consequences of misfortune, whether arising from natural or from political causes.

2391. It is better to have a pressure in January than a crisis in the December following, is it not?—Undoubtedly.

2392. Is it your belief that the Act of 1844 placed any disadvantageous restrictions upon the Bank during the progress of the war?—I am not aware of any restrictions.

2393. You are not aware of any detriment to the trade or interest of the country having arisen from the operation of that Act during the war?—I am not aware of any restriction or inconvenience; I can best answer the question by illustrating what would have been the course of events under the opposite theory; I will take the suggestion which I understand was made by some eminent authority on financial matters, that the Bank should have held a stipulated amount of reserve, and that that reserve should be acted upon by the causes of the drain without influencing the value of money; if that had been attempted the consequences would have been these; in 1847 the year began, I believe, with 15,000,000*l.* of bullion, and the expenditure of this country for grain alone was upwards of 20,000,000*l.*, so that the whole of the bullion might have been expended without reaching the purpose which we aimed at, namely, the purchase of our necessary provisions, if we had attempted to do it by allowing the drain to fall upon our bullion reserve unchecked or unqualified by any rise in the rate of discount. Again, with respect to the war, the Bank, I believe, held about 15,000,000*l.* at the commencement of the war; the war has cost I do not know how much, but perhaps 80,000,000*l.*, of which perhaps 20,000,000*l.* or more has gone abroad; now it is quite obvious that the whole of that expenditure never could have been borne by the bullion reserve of the Bank unassisted by the influence which the increased value of money gave to recover our treasure.

2394. A large part of the war expenditure consisted in home payments, did it not?—A great deal of it; but a great deal of it, in the form of actual bullion, consisted of payments which were made abroad either to foreigners or to our own representatives abroad, and which did not come back again, but were actually expended in the country to which they were sent.

2395. So that had the war continued, it would have been necessary to have kept up a constant remittance of bullion to the Black Sea, would it not?—Inevitably; because our commercial relations and state of credit with that part of the world were not such as to permit any palliatives in the way of the sale of securities, or operations upon commercial credits, as when payments had to be made either to Russia or to America for grain purchases.

2396. Are not the exports of bullion made by the Government in time of war of a different character from those that are produced by a commercial drain, as being more steady?—They may be, or they may not be; that is a matter which can hardly be predicated upon.

2397. Is it your opinion that if the drain for bullion for the war had continued, there would have been any necessity for infringing the provisions of the Act of 1844?—Not the slightest.

2398. Will you explain in what way you think the Act would have operated if the war had continued two or three years longer?—It would have continued to operate precisely as it did operate; there would have been a permanent continuance of the high rate of discount, which, by raising the value of money here to the level of the money markets on the continent, and in America, would have prevented the drain falling upon this country alone; it would have fallen upon the whole commercial world; so that our position would have been maintained,

and

and we should not have been exhausted, as we must have been, had we allowed the rate of interest to remain low.

2399. Your belief is, that unless the war had driven the country to the same unfortunate extremity as occurred in 1797, when the Bank restriction was established, the provisions of the Act of 1844 might have been, without difficulty, carried into effect?—I have no doubt whatever about it.

2400. With regard to the alterations in the rate of discount, do you think that any such alterations can be considered as exercising any influence upon the rates of prices?—The way in which a rise in the rate of interest is supposed to operate upon prices, I believe, is this: people think that the movements of bullion, by making the quantity of currency in the country greater or less, affects the prices of commodities. My own belief is (assuming the sum of the precious metals in the markets of the world to be unchanged) that the movements of bullion and the consequent variations in the rate of interest, have no influence upon prices whatever. I believe that prices depend upon supply and demand, and that unless the value of money is brought into action in the question of cost, or in the question of supply and demand, those variations in the rate of interest leave prices totally unaffected. I am aware that an opinion to the contrary effect has been held by some eminent economical writers; but it has been to my mind apparent that they have taken it, because they wanted some link in their chain; and that they hit upon that as something that would serve the purpose, but I have never seen it described how it was to operate the cure that they wanted; and to my mind the very contrary result will be that which would take place. If a drain of bullion does take place, and if, according to their theory, the value of all commodities were affected, the result would be, according to their idea, an export of goods in order to restore the amount of our claims upon the rest of the commercial world, and to recover our treasure; but if you measure the effect of a fall of prices upon the value of such commodities, you will find that it has the contrary effect, lowering the amount of our claims upon the rest of the world, instead of increasing it. Imagine, for instance, that our exports were 100,000,000 *l.* annually, and that a fall of prices of 10 per cent. took place in consequence of the export of bullion, according to the prices theory, so far from our having a larger claim upon foreigners we should have a less claim, because we should reduce *pro tanto* the amount of value of the goods sent to them. And supposing that the prices of our exports would be lessened, the effect which took place here (according to that notion of a fall of prices by the export of bullion) is reversed abroad. There they have got our bullion, and therefore their prices would be higher; so that we should have at home to take a diminished price for our own exports, and we should have to pay an increased price for our imports; so that the theory appears to me really to break down with reference to the effects which are supposed. I believe that the effect of the export of bullion upon the rate of prices has no reference whatever to the prices of commodities. It has an effect, and a very important one, upon the price of interest-bearing securities, because, as the rate of interest varies the value of commodities which embodied that interest is necessarily powerfully affected. When the rate of money rises here our interest-bearing securities fall in value, and they then become a marketable commodity, a tempting commodity to capitalists in other parts of the commercial world, who buy them in common with ourselves. And again, commercial credits are powerfully operated upon; people who are in close and constant communication with each other, either in America or in various parts of the continent, withdraw, under those circumstances, their investments abroad, either for remittance here or for substitution of drafts upon this country, and by those two means—the altered application of commercial credit and the alteration in the value of our interest-bearing securities—the recovery of our position is effected. But the action upon prices I totally disbelieve; I think it is untenable in theory, and irreconcilable with facts. Fourteen years ago I happened to have occasion to investigate that subject, and, to my surprise (for I confess I held the theory previously), I found that there was not a single fact to be alleged in its favour. A table which I drew up, which I am able, if the Committee wish, to place before them, gives the most circumstantial refutation to that idea. It will be seen by looking at 15 main articles of value in this country that the variations in their prices between 1834 and 1844 not only do not follow the movements of bullion, but that in many instances they are totally at variance with it. I have since compiled a table, taking the same articles for the

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the 10 years between 1845 and 1856, and the result is exactly similar; there is not the slightest affinity to be traced between the movements of bullion and the movements of discount on the one hand, and the prices of commodities on the other. These tables, if the Committee desire, I will hand in. (*The same were delivered in.* The same tables will show another fact, which is more important, perhaps, still; and that is, the immediate and close affinity between the movements in the amount of bullion, which, in fact, is the representative of our uninvested capital, and the rate of interest, which follow each other as closely as shadow and substance.

2401. What are the commodities upon which you have founded your calculations?—They are the chief articles of import and export. Cotton and cotton manufactures, wool and woollen manufactures, flax, linen, indigo, iron, copper, tin, sugar, coffee, tallow and silk, almost all the chief materials of our manufactures.

2402. When you speak of interest-bearing securities, do you mean commercial paper, securities which are the subject of discount?—No; I mean funded property, government securities, both our own and foreign, for we hold a very large amount of foreign securities of various kinds, bonds of both European and American States. In the event of an alteration of the exchanges requiring payment to any of those countries, one of the obvious corrections of an export of bullion is to transfer those securities; it is done to a very great extent. In 1847, a very large amount of American securities were retransferred to America and Russian securities to Russia, and other continental securities were transferred to those places from which we drew our supplies of grain.

2403. Do you believe that the price of Government and other permanent securities varies with the Bank rate of discount, or with the commercial rate of discount?—There is always an action more or less stringent upon the Government securities, even those of our own Government, which stand peculiarly aloof from any such influence, because they derive their chief value from circumstances not affected by it. Indeed, the present price of consols is a wonderful commentary upon that. The fact that consols have maintained a price of 93 with a rate of discount of 6½ per cent. is in some degree owing to the strong opinion that prevails that the present high rate of discount will not be maintained, and that our Government securities must rise again; but it is no doubt in a great measure owing to the fact, that consols are so largely held for trusts and other permanent investments, in consequence of which they maintain their value irrespectively of the circumstances which more powerfully affect foreign securities. Foreign securities probably are more largely affected than our own by alterations in the rate of discount.

2404. Has not even the rate of interest upon Exchequer bills very little reference to the Bank rate of discount?—I think it has a very close reference to it. I think that if the Bank's rate of discount, instead of being 6 per cent. now, were 3 per cent., Exchequer bills would have a very different price in the market.

2405. The interest upon Exchequer bills now is about 3 *l.* 16 *s.* per cent. Is not it clear that that rate of interest has very little reference to the Bank rate of discount?—It has considerable reference to it, not in extent, but in a proportionate degree. Exchequer bills and consols both bear a very different rate of interest from commercial bills, but then commercial bills are things *per se*; so are Exchequer bills, and so are consols; and it is only when all the circumstances affecting each are in the same position that they can all perfectly concur in the same rate. It is not impossible that you might have all three bearing the same rate of interest; but Government securities having a long and indefinite date, of course are in quite a different position from bills of exchange, which are only a security for a few weeks.

2406. But are not the competitors who determine the rate of discount quite a different class of persons from those who invest in Government securities for the most part?—To a great extent they are different parties who deal in those securities. Some of those who deal in bills of exchange will hardly deal in anything else, therefore there is always a strong competition for bills of exchange. On the other hand, those who deal in Government securities would not touch a bill of exchange or discount it. I know that there are different classes dealing in those different commodities, yet there are always some parties who are ready to deal in both; for instance, the Bank of England itself, and I suppose

suppose all banking bodies, would deal in all those securities, and their value depends not only on the interest they pay, but upon their duration and the security they afford.

2407. To come back to the question of prices, you stated that the quantity of Bank of England notes in the hands of the public underwent no very large variation?—The variation in the circulation of the notes of the Bank of England generally is comparatively small, because they are affected mainly by variations in prices, and by the influence and extension of banking expedients.

2408. Do you apply the same observation to the circulation of country bank notes and Scotch and Irish notes?—At the present moment they can hardly enter into the consideration, because they are positively limited, therefore there can be no variation. The whole variation therefore is shown now by the variation in the notes of the Bank of England, but you cannot exactly discover the variations in the amount of gold coin which the Scotch and Irish and English banks are obliged to hold in order to protect their deposits and to protect also their notes.

2409. Taking the circulation as a whole, do you believe that the greater or less expansion of the circulation has any influence upon prices?—No, I think the movement of prices affects the circulation and determines the amount of it, but the circulation cannot affect prices; circulation can only affect prices when circulation is put out upon different terms. We can understand this, that if a banker in the country lends his notes, his capital (his notes being the expression of his capital), at 3 or 4 per cent. at a time when the value of money is 5 per cent., he may set on foot speculation, and if he does it through some new industrial establishment, that circulation may be maintained. So far circulation can be increased; but if a banker, be he the Bank of England or be he a country banker, puts notes out at the prevailing value of money, I do not believe that he has any power of adding to the circulation, for this reason, that, as I stated before, nobody will keep a note if he can help it; a note kept is so much lost to every person who keeps it. Persons keep only what they really require for the operations of paying, and in the case of bankers as a protection to their reserve.

2410. Then you assent generally to the proposition that neither the Bank of England nor any other bank has the power of increasing its circulation at will?—Only through the unwholesome and false medium of issuing at a lower value of interest, which of course has the effect of tempting people to take that particular circulation.

2411. That would be, in fact, offering capital at a cheaper rate?—Yes.

2412. If the Bank made those advances in notes, would not the notes very rapidly come back upon the Bank?—They would come back rapidly; and that was the reason why I said that that circulation could be maintained only through the medium of some fresh industrial establishment in a manufacturing district. If a man by the advance of cheap capital can induce the institution of a new mill, and surround it with new houses and workshops, and the whole apparatus of a new industrial settlement, of course he thereby founds a colony amongst whom his additional notes will circulate. But taking the community as it is, with the same wants, no banker can increase the circulation of the country by putting them out at the market price of money.

2413. The supposition which you make, implies a real creation of wealth, a new manufacture, a new population and new industry; and in that case you are of opinion that there might be a real demand for new advances of capital?—There might be a real demand stimulated at first by cheap capital, and subsequently maintained even when that capital had reached its proper level; but the great distinction between such issues before the Act of 1844 was passed and at present is this, that before that Act was passed country bankers were only lending their credit, now they are lending their capital. Therefore, at the present moment, I think there can be no danger of their lending improperly.

2414. Do you consider that the Bank of England note is a legal tender in the banking department of the Bank of England?—I have no doubt whatever that a Bank of England note is a legal tender in the banking department of the Bank of England.

2415. Your opinion is, that the banking department is so completely separate from the issue department that, notwithstanding the provision of the Act, which says, that the Bank of England note shall not be a good tender at the Bank of England, that provision is to be read as confined by the Act of

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1844 to the issue department, so that it is a legal tender at the banking department?—I have referred back to the Act of 1833, and I would call the attention of the Committee to this circumstance, that it is an Act passed for the purpose of granting certain privileges of exclusive banking; that is the very preamble; it is all with reference to the privilege of exclusive banking, privileges of issue, and it was in consideration of that privilege of issue that certain extensions of power were given to the Bank, and that other bodies were prohibited from issuing. In fact, that Act is in perfect harmony with my argument. It says, that a Bank note shall be a tender everywhere else, but shall not be a tender at the Bank of England; the Bank of England being, *quoad* this Act, the very issuing body; that is to say, a man cannot pay his own promises by giving more promises, he must pay them by something tangible. But the Act of 1844 takes out of the Bank of England the banking department, and makes the banking department distinct and separate from the issue department. To the present issue department the 6th clause of the Act of 1833 is clearly applicable, while to the banking department the Act of 1844 gives, as it necessarily must give if it is to be consistent in the division of the departments, the power of paying a Bank note as a legal tender, just the same as any other banker would pay it. In fact, if the banking department had no power of giving a Bank note as a legal tender, it would not be in the position that the Legislature aimed at, as being a distinct and perfect bank as regards all banking purposes. I do not think there is any clashing between the two provisions of 1833 and 1844. The one of 1844 being a subsequent one, appears to make the matter perfectly clear.

2416. Are not the words of the Act express, that the Bank of England note shall be a legal tender, except at the Bank of England?—It says that the note shall be a legal tender: "provided always, that no such note, or notes, shall be deemed a legal tender of payment by the Governor and Company of the Bank of England, or any branch bank of the said governor and company."

2417. The banking department is a department of the Bank of England, is it not?—The banking department is a department in the Bank of England, and of the Bank of England.

2418. Without going into the financial policy of the Act, do not you apprehend that in legal construction a payment by the banking department of the Bank of England would be a payment by the Governor and Company of the Bank of England?—I think not, because I take the clause in the Act of 1844, which is subsequent to the one of 1833, to be intended to correct any possibility of misapprehension. I take the principle of the Act of 1833 to be clear, that the Bank as a bank issuing its own notes cannot evade the responsibility of meeting its own engagements, by merely re-issuing its own promises to pay. It is as a bank of issue restricted from making its notes a legal tender. But when you constitute a distinct banking department, you must give to that banking department all the privileges of a bank; otherwise you hamper it in its very first operations, and I do not, I confess, see any object in endeavouring to cancel the sanction given by the Act of 1844 by the previous clause of the Act of 1833.

2419. Would not the question be rather a legal one than a practical one, because a person who receives notes in the banking department could at once demand payment of them in the other department?—Practically it does appear to me that it could not be otherwise; it would be almost impossible, in fact, quite impossible, for the banking department to be prepared to pay over the counter sovereigns which might be claimed by the holder of a large cheque; they have not got them there; they must send him to another room, where the gold is kept, to receive the money for which the Bank note passed across the counter is to him the voucher.

2420. In fact, it is rather a separation for the convenience of conducting the business of the Bank than anything which could lead to any practical question as to the liability or the credit of the Bank?—I do not see that any practical question could be raised out of it.

2421. There is another question which has been raised, and which does not appear to be much more practical than the last, which is, as to the effect of the provisions of the Act, in separating the two departments, with respect to depriving the holders of notes of any remedy against the bullion in the issue department; what is your opinion upon that point?—My opinion is, that any question raised upon that point must be so purely hypothetical, that I can see no object

object in raising it. I can merely express my own opinion formed from the wording of the Act, that it was intended that the two departments should be perfectly distinct; that in the issue department there should be certain securities distinctly set apart for the protection of the holders of notes; that the bullion should be also distinctly appointed to answer the notes which are issued against it, and that no interference should be made either with the one or with the other, except in accordance with the law. Now the law, having once placed those securities to the credit of the issue department in the Bank, they can only be varied in accordance with it. The entries of those securities appear in the stock ledger at the credit of the "Governor and Company of the Bank of England, Issue Department." They stand in precisely the same form, and afford precisely the same assurance of title, as the entries which certify the title of other stockholders. There they stand, and they can only be removed by some action in harmony with the Act of Parliament in virtue of which they were placed there. The chief accountant, who has the custody of all those ledgers, which are the title-deeds of the stockholders, would not permit any interference with that stock unless it was shown to him that such interference was an exchange in accordance with the Act under which he is empowered to place it there.

2422. With regard to the form in which the accounts of the departments are now exhibited to the public, do you consider that form as convenient, and calculated to afford clear information to the public?—I think that a great deal too much information is given to the public, because the public has not yet arrived at a due understanding of it. A great deal of mischief occurred in 1847 from the want of due apprehension of the meaning of the Bank accounts. I mean that while they are perfectly true and perfectly sound, as an exhibition of the state of the Bank of England, you are doing, as regards the Bank of England, what no other bank is required to do, to give an account of its banking assets and position from week to week. The issue department of course represents the movement of the amount of bullion; upon the movement of the bullion depends, as we know from experience, the value of money in demand; therefore I think the public ought to have constantly, and as quickly as possible, full information of the movements in the issue department. There is no reason also why the accounts of the banking department should not be periodically made known; but I think that mischief has been done by their being published so immediately. I think that if they had been delayed for a month there would have been no application to the Government for the issue of that unfortunate letter in 1847; yet the evil, perhaps, will be less in future than it has been, because the accounts are better understood than they were, and there is no doubt that, as an exhibition of the banking accounts, they are perfectly true, and most judiciously arranged.

2423. Would you suggest that the weekly publication should be limited to a balance sheet of the state of the issue department?—I think that would be an improvement.

2424. Assuming that the present amount of information, or something like it, is given, do you believe that the form in which it is now exhibited is a convenient one?—Perfectly; if you wish to give the same information, I do not think you can change the form with any advantage; it gives all the elements with respect to which curiosity might naturally be excited; it gives the absolute cash reserve, which is information that is very rarely given. The great majority of banks that publish their accounts give it in one line, "cash and securities;" when they do that, of course they might as well give no account at all, because the cash might be only 6*d.*, and all the rest might be securities.

2425. You do not think that the note reserve of the banking department is exhibited in a form which the general public have some difficulty in understanding?—Not the least; I think the public must perfectly well know that it is a reserve consisting of so much in notes and so much in bullion; I do not see how any misapprehension could possibly take place.

2426. You would not approve of any alteration in the form of exhibiting the account, but your only recommendation would be that the amount of information given should be somewhat less?—It is merely upon principle that I say that; there is less risk now of any evil resulting from it than there was 10 years ago; I do not think the form itself could be improved; I think the form is quite a satisfactory form in principle, and there is a great advantage in following up a

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form which has been now in use for 10 years; it makes comparison and reference more convenient.

2427. There was a publication before 1844, was there not?—There was a publication, but it did not give the same amount of information.

2428. How frequent was it?—I believe monthly.

2429. Passing from the issue of the Bank of England to the issue of country banks, does it not appear that the policy of the Act of 1844 was gradually by a voluntary process to absorb the country issues into the Bank of England?—That appears to be the spirit of the Act as far as one can judge from the clauses which contain a voluntary form of commuting country issues.

2430. That end has not been attained up to the present time?—No; it has failed, possibly to some degree in consequence of the very high value of money of late years, which has naturally indisposed country bankers to merge their rights. A right of issue, which they might very gladly have divested themselves of, when money was only worth 3 per cent., became exceedingly valuable when money was worth 6 per cent. So that circumstances have been very unfavourable to the extension of voluntary commutation.

2431. Had the voluntary clause made any progress between 1844 and 1852 or 1853, when the high rates of money began?—I am unable to say whether any took place in the last few years of that period; I think some few did; but, on the other hand, I know that one bank resumed its circulation; it had the power of resuming it, and it gave up its commutation and resumed its circulation; that was a large bank in the west of England; that was just before the Act.

2432. Taking the period before the war, and the period since the commencement of the war, it appears that the operation of the voluntary clause has been but trifling?—Very trifling.

2433. Do you think it would be desirable to take any active measures by legislation for the purpose of accelerating that process?—The great object of the Act of 1844 has been attained to this degree at least, that, by limiting the quantity of country issues, it has prevented their being parted with at anything less than the ordinary value of capital. That has been one great check upon the abuse of country issues; but, on the other hand, security for payment of the notes has not been taken, and their non-payment is a danger which is always alive, and that from two causes. It may arise not only from extravagance or exhaustion of ordinary means, but through mismanagement of banking affairs. In fact, where a bank does fail, it is generally because they have unduly invested their deposits, and it is obviously desirable that no part of our currency should be exposed to a danger which can be very easily averted.

2434. With regard to the discredit of country banks which occurred before the year 1844, do you think that that arose principally from the cause you have mentioned, indiscreet investments, or any other similar act contrary to the policy of bankers, or did it arise from excessive issues of paper?—Excessive issues of paper was the mode in which the imprudent investment of capital took place; it was from an anxiety perhaps to extend their issues that they entered into arrangements to advance capital where the scheme itself was one standing upon a precarious foundation, and without due regard to the position of the individuals to whom they lent it. There can be very little doubt that the way in which the country banks or some of them were connected with individuals engaged in speculative operations of various kinds did lead to considerable advance of capital in that way, which of course caused unsound trade, and ultimately resulted in ruin both to the trade which it had attempted to foster and the Bank which had promoted its establishment.

2435. There was a great crash of country banks in 1826, was there not?—I believe there was, but my personal recollection hardly goes back to that period so as to enable me to give any particulars.

2436. There were no returns of country circulation at that time, were there?—I am not in possession of any returns which go back so early as that.

2437. Was it not generally assumed by writers at the time that the failure of the country banks was in some considerable degree owing to over-issues of paper?—I think I have seen that charge made against them. I think the charge has been pushed unwarrantably far; I think more has been charged against the country issues than they are justly blameable with. The country bankers have been assumed to have a great power of getting out their notes, and I think

I think they have been supposed to have done more harm than they have really done. I think they have hardly received a due measure of justice in the consideration of the currency question.

2438. Would it in your opinion be politic to attempt by any legislative enactment further to reduce the amount of the country bank issues and to substitute for them Bank of England paper?—I should think it very desirable to have a uniform currency for all England and Wales, even if it went no further.

2439. How would you set about accomplishing that object?—By applying legislatively the permissive clauses of Sir Robert Peel's Act.

2440. That is to say, making the permissive clauses compulsory?—Making them compulsory, of course, with this further application of legislative power, that you must also apply some means of purchasing the right of which you assess the value under Sir Robert Peel's Act. Sir Robert Peel's Act assessed the value of the beneficial interest of the banker in his circulation at 1 per cent.—of course that is a ground to start from. But then you want to decide at what valuation that right or interest should be taken. That is the only point which would require to be settled. If you could fix upon some terms which would satisfy the amount of the right or interest which you may fairly consider the country issuer to possess, and which would still leave the country the advantage of some economy of capital combined with certainty of the validity of the notes, I think a great gain would have been made.

2441. What you propose would be to expropriate country bankers by some legal process, that is to say, to compel them to sell at some assessment the value of their right in the same manner that a railway company takes lands under the Lands Clauses Act; that would be the practical result, would it not?—It would be by some measure of compulsion, inasmuch as they would have no power, when the Act is passed, of refusing their compliance; but still it might be upon terms which I apprehend would be not unacceptable to a great majority of those banks.

2442. If such a measure were introduced, it would of course not be desirable to introduce it upon mere theoretical grounds of symmetry, but in order to remedy some practical evil. Now, what do you consider at present is the practical evil produced by the country bank issues?—The only evil arising from the country bank issues now is, that there is always an element of uncertainty in the payment of their notes, inasmuch as no security is given by them. And there is the inconvenience of having conflicting expressions of the currency of the country. It would be better if all 5*l.* and all 10*l.* notes circulating in the country were alike, instead of having 5*l.* notes and 10*l.* notes of a great many different appearances. Considering the close and rapid communication existing now between all parts of the country, it appears desirable that there should be but one 5*l.* note and one 10*l.* note, whereas now there are as many 5*l.* and 10*l.* notes of different appearances as there are country banks.

2443. A country bank note only circulates within a limited sphere, whereas a Bank of England note circulates over the whole country; that would be one recommendation of the change you propose?—So far that would be one source of gain by the change, because now you must allow a per-centage in paying a debt in London with a country note.

2444. But, on the other hand, it is said that Bank of England notes are more liable to forgery than country bank notes?—I suppose the reason of that is, that the sphere of issue for country notes being limited, the forgers prefer taking a wider range; they like to forge a note which can be passed anywhere between the Land's End and Berwick-upon-Tweed if they can get any one to take it; but I do not think that the inconvenience of that casualty is a sufficient objection against one universal and uniform circulation; it is because the Bank note is universal and ought to be universally taken, that the forger selects it as his object for experimenting upon.

2445. When you speak about the advantage of not having conflicting expressions of the same denomination of money, does not your argument, in fact, reduce itself to the advantages of uniformity on its own account, without reference to its consequences?—I think there is a positive convenience and safety in uniformity of expression.

2446. Still, within the limits in which country bank notes circulate, their value is perfectly understood, and there is no difficulty, as between buyer and seller, is there?—None whatever. I imagine that in each separate small district

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the country circulation is just as convenient as that of the Bank of England: but it is because the communication between all parts of the country is now so constant and so rapid that I consider it would be a gain to have notes that would pass everywhere.

2447. At present you think that country bank notes are not so secure as Bank of England notes; would it, in your opinion, be desirable to require those country banks to give some security similar to that which is exacted from the Bank of England for their issues?—If it were considered a point to keep country notes in circulation, I should say that would be a desirable measure; but I think it would be hardly worth while to propose any measure short of a general absorption of country notes. I very much doubt whether country bankers would like to give security for their notes.

2448. At present, a country bank, which is a bank of issue, has great facilities, from its double character, in the conduct of its banking business, has it not?—I am not aware that an issuing banker has greater facility in doing banking business than any other.

2449. Is it your belief that a bank which simply conducts banking business is as likely to be conducted with profit as a bank which not only is a bank in the ordinary sense of the word, but also issues paper?—Undoubtedly the issue of paper is an advantageous privilege possessed by the banker who holds it, and it produces to him a certain amount of annual gain; but that annual gain has not, or ought not to have, any connexion whatever with the discharge of his banking business. If it is surmised that, because he has a profit upon his issues, he lends out part of his capital upon easier terms than he would if they were not his own notes, then the operation of it is mischievous, because then comes what I have assumed did not exist, an interference with the general value of the currency of the country; but I hold that the idea is fallacious, and that no issuing bank would now lend its notes upon lower terms than a non-issuing bank, or that they would render banking accommodations to their customers upon easier terms than a non-issuing bank. I believe that the two things are quite distinct, and that the privilege which a bank has of being an issuing bank is only tantamount to what you find in other branches of business in country towns, where the banker is also a brewer, a corn merchant, and a coal merchant. Of course the combination of so many trades is to him so many additional sources of profit; but this would not at all affect the conduct of banking business proper, nor would any change in that respect prevent its being carried on profitably whenever the trade of the place was sufficient to make the establishment of a bank desirable.

2450. Supposing a bank of issue having the double function to exist in any town, which bank under the present law may be said to enjoy a monopoly of issue, would it be easy for another bank to be established in the town which would not be a bank of issue; could it compete upon equal terms?—I believe so, perfectly; I can only refer, in support of that idea, to the fact that the London and County Bank, which is a non-issuing bank, has 60 branches in different parts of the country, many of them in towns where there are issuing bankers; and that the National Bank of Ireland has upwards of 40 branches; and that the Provincial Bank of Ireland has upwards of 40 branches in Ireland, neither of these being issuing banks.

2451. Take it the other way. Suppose that a Government bank, which was simply a bank of issue, had a branch in the provinces, would that branch bank have the same facilities for issuing its notes which a bank would have which was not only a bank of issue, but also had banking business?—I do not think that a bank of issue in the provinces would have any office to discharge. A bank of issue can be only conveniently in the centre of commercial operations. London is the only place where a bank of issue can properly be.

2452. Would not a bank carrying on general banking business, and which was also a bank of issue, have greater facilities for the issue of notes than a bank that was simply a bank of issue?—I think that a bank of issue in the provinces would be almost a sinecure; now and then it might change a 5*l.* note for five sovereigns, and *vice versâ*, but that is all it could possibly do.

2453. As to the policy of the Government taking the issue of paper from the Bank of England, and establishing a central bank of issue, is that a course which you think would be desirable?—I hold that, at the present time, the Bank of England represents that central bank of issue for national purposes, and that the Bank of England is the best possible medium through which paper money can be

be issued. Virtually the principle has been laid down and admitted, that the right of issue of a certain amount of credit paper (which is a great national economy), is one which it is specifically the right and office of the governing power to create and to regulate. I hold that the Bank of England does discharge that office now for the Government and for the country; and I cannot conceive any better locality or any better management for carrying on that office than that which now exists; because, in accordance with all experience and all historical evidence, it seems to be generally recognised that no such office should be committed to a Government specifically, without the intervention of some incorruptible and independent body, who can protect the currency from being endangered by illegal issues or mal-appropriation of treasure.

2454. You are doubtless aware that it has been proposed that the Government should extinguish the right of issuing paper exercised by the Bank of England and by the country bankers, and by the banks in Ireland and in Scotland, and that it should itself assume the privilege of issuing bank notes payable on demand by the bearer?—I was not aware of that; I have not seen any notice of such a plan.

2455. Assuming that such a plan has been suggested, do you think that such a system would yield any profit to the Government?—Obviously it would yield very considerable profit; it would yield to the Government the profit which is now derived from the very same privilege exercised by the Bank of England. The State now derives largely from that very source through the medium of the Bank of England; and there is no doubt that, in the hands of other agents of the State, it would produce similar results.

2456. How much does it receive from the Bank of England for its circulation at present?—To speak briefly, the net profits of the issue department of the Bank of England are 350,000*l.* a year, of which the State receives 250,000*l.*, and the Bank has 100,000*l.* as its consideration for its agency in the matter, and for the risk which it incurs.

2457. If the Government took the whole of the paper circulation into its hands, and had to pay the cost of the management of the establishment, together with the cost of the necessary branch banks, do you believe that it would make a larger profit, or as large a profit as 250,000*l.*?—I never heard of Government works being carried on so well as the same kind of work in the hands of private individuals, because it is, I believe, notorious that people always work better when they have a strong interest in it. As to the chief management of the Bank of England, the interest is one rather of honour and of position than of profit, because the governing power in the Bank of England have a very limited pecuniary interest in the result of their operations.

2458. Then your impression is that, upon the whole, the Government has more profit by the existing arrangement than it would from assuming the whole issues of paper into its own hands?—I am not prepared to affirm so much as that, because that is affirming what I am not capable of foreseeing, namely, the terms upon which the Bank of England might be dealt with, in the event of the present connexion being altogether severed.

2459. But looking at it as a simple question of profit and loss to the Government, you do not think that such a plan has much to recommend it?—I feel satisfied of this, that the business, in itself, could not be so well managed by any department of the Government as it is by the Bank of England, as a separate independent body, acting with the concurrence of the Government, and responsible to the Legislature of the country.

2460. Looking at it from the double point of view which has been referred to, namely, as it regards both the action of the Bank and the economical question of gain or loss to the Government, do you think that the currency would be in as wholesome a state, and that as much advantage would arise to the Government from the management of it, as arises under the present system?—I think it would be a most unfortunate experiment for any government to make, to take the very delicate office of regulating the issue of credit paper into its own hands. The emergencies of the last war from which we have just escaped would evidently have been a source of great trial and temptation to the Government under those circumstances; and even although the Government itself might have had principle and strength enough personally to oppose any tampering with the operations in that department, still the pressure which might have been brought to bear upon them from without might have been such as to force them to take measures for easing the expenses of the war, which would have relieved the

pressure of the public taxation, but which might have endangered the whole foundation of our financial position. Such proceedings have occurred in some continental countries. During the course of that period there have been forced issues of paper in Russia under the exercise of this identical power by the government of the country, and although it has not led to an actual suspension of cash payments, it has placed the country in such a position that a little more pressure or any additional aggravation of the evil from other causes might have entailed that very casualty.

2461. Supposing the Government were to assume to itself the power of issuing paper, how would it practically do so; in what manner would the issues take place?—I suppose that the simplest plan would be to get from the Bank of England a precise description of the way in which the issues have been managed during the last 10 years, and to adopt that as their precedent, merely putting the work into different hands.

2462. I am assuming the Government to do nothing but issue paper, not to have any banking business?—The issue department of the Bank of England holds exactly that position.

2463. The Government would pay the dividends upon the public funds in its own notes, would it not?—That again is a distinct function. The Bank of England performs three perfectly distinct functions at present. It is a bank of issue. It is also a banking body in the ordinary acceptation of the term, viz., a bank receiving deposits, and investing a certain proportion of those deposits, together with its own capital; and it is also (which is a distinct function again), the paymaster of the public dividends; and that office is quite apart from either of the others, but it forms a part of the banking department for the convenience both of those who are employed in its banking operations, and of its customers, who are the recipients of the public dividends. It is enabled by that means to discharge the payment of the dividends with a much less amount of trouble, risk and expenditure, or use of notes than would occur if it were in a different position. The larger proportion of the public dividends are now paid by a mere stroke of the pen; the amount of dividends due to each banker, not only for himself, but for all his constituents, is carried in one line to his credit, and in a few hours 3,000,000 *l.* or 4,000,000 *l.* of public dividends are in that way disposed of and transferred from the audit roll to the different corporations and banks who are entitled to receive them; so that the economy of labour and avoidance of risk are great and marked advantages of those two functions being performed by the same corporation. Still in their essence they are of course distinct functions.

2464. In fact at present the dividends are paid with a very small use of bank notes?—A very small use.

2465. But still it is conceivable that the Government might, for the purpose of making issues, pay dividends in notes?—Certainly; it is one of the most obvious means of issuing notes.

2466. It might pay salaries, and contractors and others in notes, might it not?—No doubt it might; and that would be a means by which those notes would be periodically thrown into circulation; and on the other hand the payment of the public revenue through the Customs and Excise would be a means of bringing those notes back again; so that there would be a gradual passing out and in of notes through the medium of those two operations. But I may observe, that if the Government were to attempt to discharge those two operations in its own person, the amount of currency required would be enormously larger than it is now. It is owing to the circumstance of the Bank having as customers the various large dividend holders, that it is enabled to perform all those operations with so small an expenditure of currency.

2467. If the Government were to establish a bank of issue of its own, that would have the effect of counteracting some of the most effectual instruments for economising the currency now in use?—It would occasion a very much larger amount of currency to be required.

2468. There would be a greater amount of notes in circulation?—A much larger amount of notes in circulation at particular times, and it would be subject to very considerable variations, whereas the operations of the Bank of England have the effect of reducing, by its expedients, the variations in the amount of notes. Although they have to pay 6,000,000 *l.* at each of the four quarters, the average variation is very little more than 1,000,000 *l.*

2469. If

2469. If the quantity of notes in circulation was greater, of course it would be necessary for the Government to keep a larger reserve of bullion?—It would.

2470. That again would impose an additional expense on the Government, and diminish the profits of the circulation?—So far, that would be a diminution from the actual profit of the right of issue.

2471. That would therefore afford a very strong argument against the direct assumption of the right of issue by the Government?—No doubt it would.

2472. Assuming that the Government were to issue notes in payment of the dividends, in payment of salaries, and in discharge of their obligations to contractors, and for any other purposes for which the Government has occasion to make payments, do you think that those notes would afterwards pass into the general circulation of the country, so as to fill up the different voids in the currency?—There is no reason to doubt that they would circulate in every quarter; wherever the need of currency was felt, they would find their way.

2473. At present our Government never issues money either in the shape of paper or coin, does it?—It issues money in the shape of the gold and silver coinage of the country.

2474. Will you explain to the Committee how the gold and silver coin gets into circulation. Supposing a person imports bullion, he takes it to the Mint, and there he may have it coined into money?—If a person imports bullion, he may take it to the Mint, and the Mint will coin it for nothing for him, and give it back to him when it is coined.

2475. The Government gives him back an equivalent weight of coined metal?—It gives him back the same weight in coin, and charges nothing for the operation, thereby infringing the great economical rule of not doing work for nothing. But the importer does not take it to the Mint, because by taking it to the Bank he receives immediate payment. The Bank gives him $1\frac{1}{2}d.$ an ounce less for the bullion, and pays him in sovereigns, that deduction of $1\frac{1}{2}d.$ being a precise equivalent for what he would have to lose in the shape of interest by leaving the bullion at the Mint during the period of its conversion into coin.

2476. Then the ordinary practice of importers is, to take their bullion to the Bank, and to get sovereigns from the Bank in return?—It all comes to the Bank. I never heard, except in one or two instances, of any one taking it direct to the Mint.

2477. Then, in point of fact, the Government itself scarcely ever issues coin to private individuals?—No; the whole operation, no doubt, of furnishing coin, either gold or silver, for the whole country, is by its passage through the Bank of England. From the Bank of England it passes to the various branches, and from those branches to the various banks which require it; and from them again to the different dealers and shopkeepers throughout the country; and in a very short space of time after gold or silver is coined at the Mint, it finds its way to the extreme parts of the country.

2478. It may be said, I suppose, in general terms, that our Government never issues either paper or coined money, but that those functions are discharged entirely by the Bank of England?—Yes, that is so.

2479. Do you think that what is true with regard to most other things, namely, that Government should not undertake to do what can be well done by the public without its assistance, is true with regard to banking and the issue of paper?—I think it is a very sound rule.

2480. Does it appear to you that in this case the functions both of the issue of coin and the issue of paper are discharged in a satisfactory and convenient and secure manner, through the agency of the Bank of England?—That is quite my opinion.

2481. There have been some memorials of late from English country bankers, praying that they may be put upon the same footing as the Scotch and Irish bankers, and be permitted to issue notes against bullion in excess of their limit of circulation; what is your opinion of that proposal?—The country banks must hold, at the present moment, a certain amount of coin against their deposits, or they would be in the anomalous position of having deposits with nothing whatever to meet them. That reserve they must hold in coin or Bank notes; and the effect of permitting them to issue in excess against coin would be simply to give them an extension of their credit issue, by allowing them to issue more notes against the gold which they now hold against their deposits. To whatever

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extent that power was exercised, it would be a simple addition to the amount of their credit issue, and of course be so far a gain to them.

2482. But it appears that under the operation of the present law, they are not able to go quite to the extent of their permitted circulation, because they are afraid in the variation of the averages of incurring a penalty, whereas if they were permitted to issue against bullion, they would be able to go safely to the extent of the circulation, even if they never passed it?—It is quite obvious that they do not venture at present to go to the full extent of the limit which is assigned to them. A suggestion which I have seen, that they should be allowed to include a larger period in the average appears perfectly reasonable in order that they may be able to go to the full extent of their limit, but to allow them to issue in excess against the gold which they may happen to hold, would be simply an extension of their credit issue. I will put it in figures. Imagine the country notes to be at present 7,000,000 *l.* and that they have 21,000,000 *l.* of deposits, and that they hold 26,000,000 *l.* of securities, and have 2,000,000 *l.* of gold against their 21,000,000 *l.* of deposits. (I assume only 1-10th.) Now if you allow them to issue 2,000,000 *l.* of notes against the gold which they possess, they would issue 9,000,000 *l.* of notes and hold 2,000,000 *l.* more of securities, so that they would have 28,000,000 *l.* of securities instead of 26,000,000 *l.* To whatever extent you gave them that permission, to the same extent it would be an infraction of the limit now assigned by the law, and a proportionate pecuniary gain to them.

2483. The practical effect would be not that they would keep a larger bullion reserve, but that they would have a power of issuing against their existing reserve which at present they have not?—Just so, they would simply make the reserve answer two purposes.

2484. It would have much the same effect as raising the limit of the Bank of England to 16,000,000 *l.*?—Just so.

2485. You expressed an opinion that the lapsed issues of the country banks, which amounted to 712,500 *l.*, were not adequately replaced by the 475,000 *l.* of notes which the Bank of England were permitted to issue?—Yes. I consider that the full amount of lapsed circulation might, without any infraction of the principle of the limitation of 1844, have been allowed to be re-issued by the Bank of England.

2486. With regard to the Scotch banks at present, as you are aware, they can only issue in excess of their fixed limit against bullion; would it, in your opinion, be a safe measure to allow them to issue either against Bank of England notes or against securities?—It might be perfectly safe as regards the interest of the noteholders, because the Scotch banks are supposed to have a very large property, and it is not probable that there would arise any deficiency in their mode of paying those notes if they were called for; but it is equally obvious that in that case also it would be an addition to the right of credit issue now granted to them. They have now a right of credit issue limited to 3,000,000*l.*; they hold, upon an average, about 1,500,000*l.* in gold; but if they were allowed to issue upon securities they might issue 2,000,000*l.* or 3,000,000*l.* more upon those securities. There again it would be an infraction of the law as it now stands, and an addition to the profit of the banks; it would be giving to them so much more capital. I should observe, that the terms in which the request is couched by some of the banks are, that they may be put in that respect upon a parallel with the Bank of England. The parallel does not hold. The Bank of England issues only 14,000,000*l.* upon securities, and all the rest is upon bullion. The Scotch banks give no security whatever.

2487. Is there not, in some respects, a very close analogy between the position of the Scotch and Irish banks and that of the Bank of England, because there is a certain limit, in the one case fixed by reference to securities, and in the other fixed by the previous average circulation upon which issues may be made, and everything in excess of that limit is to be against bullion?—If you wish to form an issue department for the Scotch banks, you may do it. If you take their reserves of gold and silver and apply them to the issue department, you would form in that case some parallel with the position of the issue department of the Bank of England. But this curious result would follow, that when you had taken all their gold and put it to the issue department, you would leave them no reserve whatever; they would then stand with 50,000,000*l.* of deposits, and no reserve. At present, according to their own statements, their deposits are about 50,000,000 *l.*,

50,000,000*l.*, and we know that the average amount of gold and silver they have had for the last 10 years is about 1,500,000*l.* only.

2488. No doubt their financial position would be different; but does not the legal position of the Scotch and Irish banks and of the Bank of England bear a close analogy to one another?—Precisely. You might extend the limit of their credit issue, which is now limited to 3,000,000 *l.*, to some further limited amount; but to give them an unlimited amount of issue upon securities would be a total abrogation of the Act of 1845. It would be breaking down the very essence of the Act, by destroying the limitation of the credit issue.

2489. If the law said that the Bank of England should issue 14,000,000 *l.* without reference to securities, and that everything in excess should be against bullion, would not its position then be precisely that of the Scotch and Irish banks as regards the law?—Except that, as I understand it, the Scotch and Irish banks want to reverse that position, and to make their issue upon securities unlimited. Now they have an unlimited right of issue upon bullion, and they want to have a right of issue upon securities equally unlimited.

2490. Looking merely at the legal position of the Bank of England and of the Scotch and Irish banks at present, would not their two positions be exactly similar if, instead of the Bank of England issuing 14,000,000*l.* against securities, it was enabled to issue 14,000,000*l.* without reference to securities, and everything in excess against bullion?—Precisely.

2491. If that condition were imposed upon a private bank, it would be an onerous condition, because it might be inconvenient to a private bank to keep a large sum in securities?—Hardly inconvenient when those securities are the means of producing so much capital, which is at their disposal for any purpose that they want it.

2492. But do not the country banks protest against being subjected to a condition of that sort, namely, that they should keep a certain amount of securities against a portion of their circulation?—I have not observed any distinct statement upon that point from any country bankers.

2493. Are you aware of their feelings upon that subject?—No, I am not.

2494. If a Bank of England note were made a legal tender in Scotland and Ireland, would it, in your opinion, naturally follow that the Scotch and Irish banks might be permitted to issue in excess of their limited circulation against Bank of England paper as well as against bullion?—If the Bank of England paper were placed, as the whole bullion is by that theory supposed to be placed, in a distinct deposit as a security against their issues, not as a portion of their reserve as against deposits, it would be precisely an analogous case, and perfectly legitimate.

2495. But at present a Bank of England note is not a legal tender in Ireland and Scotland?—No.

2496. It has been proposed to make it a legal tender over the whole United Kingdom. If that were done, would it not follow as a natural consequence, that the Scotch and Irish bankers might be permitted to issue against Bank of England paper as well as against bullion, beyond their fixed limit of circulation? If Bank of England notes were made a legal tender in Scotland and in Ireland, the simplest thing for the Scotch and Irish bankers to do would be, when they have exhausted their own right of issue, to issue notes of the Bank of England, and then there could be no confusion; the result would be precisely what their own theory supposes their position to be if their theory is honestly carried out. They have only to do what all the country banks are bound to do, to use their own notes so far as they can, and to meet any deficiency by using the notes of the Bank of England.

2497. Would it in your opinion be desirable that any measures should be taken for putting an end to the private bank circulation of Ireland and Scotland, and substituting for it the paper of the Bank of England?—I do not think that the motives for making a change in Ireland and Scotland are so strong, or so many, as those which prevail with regard to the provinces of England; but I cannot conceive that it could be a measure otherwise than desirable in itself.

2498. What are the disadvantages of the present state of things in Scotland and Ireland, with respect to the private bank circulation?—The same in degree, but perhaps in a minor degree, as those which I have mentioned with regard to England, that there is not the same absolute certainty of ultimate payment, and that they are not of equal value when circulated in England as they are in their own

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own country; for instance, a Scotch note in London is worth 3 *d.* less than its nominal value, You can never get more than 19 *s.* 9 *d.* for a Scotch one pound note.

2499. Mr. *M. T. Smith.*] Because it is not payable in London?—Of course they are not bound to pay them there. That is a difficulty that would be corrected by having the circulation all made alike.

2500. *Chairman.*] That discount of 3 *d.* is the measure of the trouble and expense of remitting the note to Scotland for payment?—Yes.

2501. Might not the same thing equally happen with regard to a Bank of England note?—It might with regard to a Bank of England note at Inverness, or even at Edinburgh, where they are not a legal tender.

2502. A Bank of England note at Rome, or at Vienna, might be subject to some discount of that sort?—There again there is the question of exchange, which would absorb the other difference.

2503. On the subject of the denomination of the note, do you think that any advantage would accrue from issuing notes in England under 5*l.*, applying the question in the first place to notes of the Bank of England?—I should not be disposed to issue notes under 5*l.* as long as the circulation of the Bank of England is confined to England, as it is now; I think that, if a general measure were adopted, and one circulation were made to prevail over the whole United Kingdom, it might then be a legitimate means of making up for the annihilation of 1*l.* notes in Scotland and Ireland to substitute notes of some intermediate amount, say 2*l.* or 3*l.*; I think there would be a convenience in them, and they might then circulate generally over the whole United Kingdom. The only disadvantage of small notes is, that we have found by experience at the Bank that small notes are much more liable to be forged; and more forgeries would fall upon notes of 2*l.* or 3*l.* than fall now upon notes of 5*l.*; the reason being simply this, that the smaller the amount of the note the less is the amount of intelligence and caution amongst the classes with whom they circulate. The smaller the note the easier it is for the forger to pass them off through a multiplicity of channels in which it is very difficult to trace them.

2504. Would not the rapidity with which a 1*l.* note would pass from hand to hand in London be very considerable, and render it very difficult to trace it?—Very difficult, I think.

2505. That objection would not apply to 1*l.* notes in the rural districts of Scotland and Ireland?—No; it would not apply to the same degree.

2506. Probably the rapidity with which a 1*l.* note would pass in the county of Galway would be very different from that with which it would pass in Cheapside and Oxford-street?—No doubt. There is another inconvenience resulting from the adoption of very small notes, and that is the great liability which accompanies such an issue of their being the medium of a panic. The lower the scale of intelligence of the people amongst whom notes circulate, the greater is their readiness upon any provocation, or without any provocation, to rush and demand gold for them. A drain is more likely to arise from 1*l.* notes than from 5*l.* and 10*l.* notes.

2507. Has experience shown that in times of panic the run upon the banks is made chiefly by noteholders or by depositors?—I suppose that if a bank which is discredited happens to have both, both will run for their money, but the noteholder has a more immediate advantage by being already provided with a token of his claim; whereas the depositor has to draw a cheque and to pass that cheque off, or he has to consider the state of his account, which may be somewhat involved; so that the noteholder is the more serious element of danger in the case of the discredit of an issuing bank than the depositor.

2508. On the other hand, the depositor generally has a larger pecuniary interest at stake?—Most probably it is so; as, for instance, a country bank which failed a week ago, had only a circulation of 9,000*l.* or 10,000*l.*, and it had deposits of upwards of 100,000*l.*

2509. Would it, in your judgment, be expedient to take any steps for suppressing the 1*l.* note circulation in Ireland and Scotland?—I am hardly qualified to give an opinion upon that subject, for I know nothing of Ireland personally, and very little of the habits of the people, or the nature of their money dealings.

2510. You are not aware of anything in the present state of that circulation which cries for a remedy or which shows any patent evil?—No, I am not, beyond

beyond the vice which, of course, attaches to all private issues, the risk of ultimate inconvertibility.

2511. That risk would apply as much to 5*l.* notes as to 1*l.* notes?—Precisely.

2512. But confining yourself at present to the 1*l.* note circulation, do you think there is anything which makes it desirable that the Legislature should interfere for the purpose of suppressing it?—I think that if the Scotch and Irish notes were to be absorbed into one general issue, it would be undesirable to issue 1*l.* notes, because it would be well that the whole country should then stand upon one general footing; but if the notes of Ireland and Scotland are to continue as they now stand, I am not aware of any powerful reason which should induce the Legislature to interfere with notes for 1*l.*

2513. Looking at the whole effect of the Act of 1844 in England, and the Act of 1845 in Scotland and Ireland, does it occur to you that any material amendment can be now made that would produce any practical improvement or advantage beyond the minor points that you have suggested, such, for instance, as the time at which the averages of the country bank circulation should be taken?—I think that the permission to pass Bank of England notes, when their own right of issue is exhausted, would be a great convenience to the Scotch banks if they would condescend to use Bank of England notes for the purpose, which perhaps they might not; but it would at all events remove the inconvenience they complain of with regard to the now necessary transmission of gold as the basis of their issues subsequently to the exhaustion of their credit.

2514. That would be done by making the Bank of England note a legal tender in Scotland and Ireland?—Yes, that is all that would be required for that purpose. For all essentials of currency, neither the currency of Ireland nor of Scotland now can at all interfere with its proper administration, and therefore it is simply upon the ground of want of uniformity or the risk of ultimate insolvency (which I believe is very small with regard to the Scotch banks generally) that any interference is requisite.

2515. With regard to the Act of 1844, is there any alteration which you would suggest, with a view of improving its operations?—The Act of 1844 refers to England and Wales only. I do not know any change which requires to be made in the Act of 1844, as affecting its present sphere of action, at all. I do not think it requires any change whatever; I think that probably some small change might be made with reference to the construction of the management of the Bank, but that of course is a separate question. For all essentials, I think the Act of 1844 is perfectly sound. The principle has acted most beneficially, and requires no alteration in any essential point.

2516. As to the constitution of the Bank Direction, do you believe that any changes could be made which would materially improve its working?—I think that it would be better if there were an additional force or enlargement of the governing power. I think the labour and anxiety of the offices of Governor and Deputy Governor is very great, and that it would be well if a suggestion which I believe Mr. Tooke has already made could be adopted, of increasing the number of governors to three, so as to divide more fairly the labours and responsibilities of the office. I also think that it is undesirable that the number of directors going out by rotation should be so great. I think it is inconvenient that the recollection of the working of the Bank should be interrupted by repeated absence from the direction, and that if the number of outgoing directors were diminished from eight to four it would be a gain. I think the opportunity of secession or of rest in that way is desirable, but to a less extent than is at present now used.

2517. The Governor and Deputy Governor serve two years each?—Yes.

2518. And they attend every day at the Bank?—The system of the Bank implies their daily attendance, but this rule cannot be carried out in practice, because it is almost impracticable. They must have opportunity for rest and recreation from time to time.

2519. But still the understanding is, that they attend every day at 11 o'clock?—The supposition is, that one or other is in attendance every day from 11 o'clock until the close of business hours, which is about 3 or 4, sometimes longer. It depends very much upon the nature of the business which has to be transacted?

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2520. The Court of Directors assemble once a week?—Once a week, on Thursday.

2521. How often does the Treasury Committee sit?—They assemble every Wednesday.

2522. Only once in the week?—Yes; then the members of the Finance Committee are again present at the Thursday's Court.

2523. Of how many members does the Treasury Committee consist?—The Treasury Committee consists of all those who have passed the Chair; ordinarily the number is about 6 to 8.

2524. Mr. *Ricardo.*] Am I to understand that you are of opinion that the bullion in the issue department of the Bank is liable for the debts of the banking department?—No, I never said that.

2525. That opinion having been expressed by Mr. Weguelin, I wish to ask whether you share in that opinion, that the amount of bullion is entirely a security for the notes, and that there is no claim on it by the depositors?—The liability of the assets of the Bank of England is determined at any one moment by the state of its accounts. If on a certain Saturday night the banking department exhibits as its reserve 9,000,000*l.* of notes, and 600,000*l.* in coin, that 600,000*l.* of coin is the only amount of coin responsible to the depositors in the Bank; but practically any amount of coin can be had by the depositors in the banking department, when they want it, because they have only to pass from one room to another to receive coin, if they choose, for the amount of their deposits. So that, practically, although the bullion is not theirs, inasmuch as it cannot belong to two distinct bodies at the same moment, yet they have the power of obtaining it, by merely giving to the issue department the notes which in the first instance are the satisfaction of their claim as regards the banking department.

2526. But there is a certain proportion of bullion in reference to the issues which you are obliged by the Act of 1844 to keep in your coffers?—No; the Act of 1844 makes no stipulation whatever with regard to any amount of bullion being kept in the coffers of the Bank. Under the Act of 1844, there might be not 1*l.* of bullion kept in the issue department.

2527. What I understand is this: that there are certain notes issued, which notes are represented by the bullion which you hold in the Bank. Supposing that in the banking department such a misfortune should happen as that you should not be able to realise your securities so as to meet your engagements with your depositors, would the bullion in the Bank in that case become responsible to them?—If upon a certain day it were found that by some wonderful and impossible mismanagement, not only the depositors' money had been made away with, but that the whole of the proprietors' capital had been made away with, and the Bank came to a stop, the account would still exhibit in the issue department the securities and the bullion against which the Bank had issued the notes held by the public, and to these securities and to that amount of bullion, those noteholders would have recourse, and my opinion is that the depositors of the Bank would not be entitled to come and rank *pari passu* as creditors with the noteholders upon those securities, and upon that bullion. That is my opinion, from the construction of the Act, and from the distinct and virtual separation which I imagine the Act has meant to establish between those two departments.

2528. Mr. *M. T. Smith.*] A question was put to you with respect to the difference between floating capital and capital invested in permanent and fixed securities. You were asked whether or not Exchequer bills, which pay only 3*l.* 16*s.* per cent., might not be taken into the same category as consols. Is not the cause of Exchequer bills bearing the high price which they now bear, as compared with the rate of interest which they pay, because the holder of them naturally expects some rise in the premium in Exchequer bills, whereas if he holds a bill of exchange, which he might discount at 6½ per cent., it is only payable at its actual value?—I do not think that cause can operate much at the present moment, because there is no premium upon Exchequer bills. I imagine that Exchequer bills bear their present value in the market as compared with bills of exchange on account of their more permanent character, and if Exchequer bills, instead of having only one year to run, had five or ten years to run, I imagine they would be at a considerable premium, for consols, which pay now only 3½ per cent., are at a much higher relative price, because they are a permanent investment.

2529. Do not you conceive that the present high price of consols and Exchequer bills is partly caused by the reason that the holder of them imagines that he shall obtain some premium upon his Exchequer bills, and an enhanced price for his consols?—I think the reason for the high price of consols is the expectation that they will ultimately rise, and that although they bear a low rate of interest they are worth the present price. Exchequer bills can hardly be said to be at a very high price, paying 3*l.* 16*s.* Exchequer bills ordinarily pay a lower interest than consols; at present they are paying a higher interest than consols, so that those two securities are not in their normal positions with reference to each other.

2530. Mr. *Weguelin.*] Inasmuch as it is assumed by certain persons that the circulation of banks does not increase and decrease at the volition of the banker, and inasmuch as the law of 1844 prescribes merely the amount of that invariable circulation which shall be issued upon securities by the Bank of England, does it not follow, that as far as any action of the Bank is concerned, it is limited to the management of its capital and its deposits?—I should rather put it the other way, and say, that the business of the Bank is to manage its securities and its reserve.

2531. Is not the management of its securities the management of its deposits?—Except where its deposits are under the power of its depositors.

2532. But it invests its deposits in its securities; and therefore the management of its securities is the management of its deposits?—Yes.

2533. Therefore the action of the Bank is limited to the management of its capital and its deposits?—Yes.

2534. If it be interesting and important to examine into the management by the Bank of England of its deposits, would it not be equally so to examine into the management of the deposits of the great joint stock banks of London and elsewhere?—No doubt.

2535. Do you think that this inquiry will be complete, unless we investigate into the management of those great establishments?—It depends very much upon what the purpose of this inquiry is meant to be. If it is an inquiry into the currency principle, and if it is found that the operations of the Bank under the Bank Charter Acts are fulfilling the expectations formed by the authors of those Acts, I think the inquiry need not go further; but if it is meant to be an inquiry into the process of banking, as to the interests which are involved, and the risk incurred by the public with regard to those banks, then of course the inquiry will be not only unsatisfactory, but partial, if it is to stop at the investigation of the management of the banking department of the Bank of England; because upon that point the public has already evidence before it, and with respect to the other banks to which you have alluded they have no evidence.

2536. In your opinion, would not the failure of any of the great joint stock banks in this country produce a state of extreme difficulty in carrying on the monetary transactions of the country?—The failure of any large joint stock bank would occasion considerable personal and private losses, but I do not think it would create any very important or durable public inconvenience, because there is a wonderful elasticity of power in the credit of this country, and in the banking facilities which it possesses, to find some substitute for any accommodation which is withdrawn by the failure of one channel of supply.

2537. But one effect of the failure of a bank is to cause greater demand for circulation upon the Bank of England?—If it is an issuing bank.

2538. Is it not the case whether it is an issuing bank or a non-issuing bank? We will instance the case of the Tipperary bank; was not it the fact that the failure of that bank caused a run on the National Provincial; and that, to meet that run, there was the necessity of transferring from the vaults of the Bank of England 500,000*l.* of gold over to Ireland; causing thereby, to that extent, a diminution of the reserve of the Bank of England at that time?—There can be no doubt that a failure of banking credit in any one locality has the effect of cancelling for a time all the facilities which the continuance of credit requires, and consequently it necessitates a supply of circulation in order to provide the means of money payment for those operations which would otherwise have been transacted upon the ordinary terms of credit; and therein is, of course, a very important reason why a sound state of banking capital should be, as far as it can be, legislatively insured, in order that the ordinary means of credit, and therein the means of maintaining an economical and an available economy of capital

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to the country generally, should not be frustrated by imprudent banking, whether the bank be a bank of issue or an ordinary bank of deposit.

2539. Therefore we cannot, in a question of this kind, possibly exclude a consideration of the way in which the joint stock banks of this country manage their business?—I think not; I think that has an immediate bearing upon the whole subject of credit currency, by exposing it to shocks and to calls of an important and excessive character when casualties do occur.

2540. You stated that you thought that if the Bank of England or a Government bank were to absorb all the country circulation, they might issue to the same extent as the country bankers do now?—That was rather with reference to the Bank of England. I said that I thought that if the country issues were discontinued the Bank of England circulation might be allowed to be substituted to the full extent of the lapsed country circulation.

2541. Do you think that that substitution would virtually take place?—I think it would.

2542. We have the instance of the issue of 475,000*l.* against lapsed country circulation; can you trace an increase of active circulation in consequence of that issue; the period of that issue was the 15th of December 1855. If you refer to the paper before the Committee, you will see that the active circulation on the 15th of December 1855, was 18,581,000*l.*; and on the 15th of December 1856, the circulation was 18,703,000*l.* Is there any evidence of any increase in the active circulation having been caused by that issue?—The permissive issue of 475,000*l.* upon securities at the date I mentioned had no tendency to eventuate any addition to the issues of the Bank of England to the same extent. The issues of the Bank of England had been silently and gradually taking the place of the lapsed country circulation as the country circulation had lapsed. In fact, to whatever extent the Bank of England circulation could take the place of the lapsed country notes, it was already done. The effect of the Government permission in the December of last year was not to eventuate the issue of more notes, but to enable the Bank to hold more notes upon securities instead of upon bullion.

2543. But could not the lapsed issue have been supplied by a larger circulation of coin?—No doubt it might.

2544. Does it follow, then, that if the country issuers now existing were to abandon their issues, which amount to between 7,000,000*l.* and 8,000,000*l.*, the whole of that amount would be supplied by Bank of England notes; might not a great portion of it be supplied by coin?—If the country circulation which was to lapse had consisted of 1*l.* notes, I should say that the conjecture in the question would be perfectly correct, and that sovereigns would then take the place of these lapsed 1*l.* notes; but as the country circulation of England and Wales now consists of 5*l.* and 10*l.* notes, I should not think that sovereigns could take the place of such notes. There would be an inconvenience in using sovereigns where people had been accustomed to notes of 5*l.* and 10*l.* I should think that Bank of England notes would occupy to a nearly equal extent ground vacated by the country issues.

2545. You stated that large amounts of permanent securities are sold by English owners in foreign countries, when there is a high rate of discount in this country. Do not ordinarily the prices of such permanent securities fluctuate abroad very much in the same degree that they do in England at such times?—It is that very fluctuation which permits the operation to which I have alluded. If the market of foreign securities were purely local, there would be no temptation to buy in the English market in order to sell there, because there would be no affinity between their values; but there are great quantities of European securities, bonds of all the most influential states, Russia, Denmark, Holland, and others, which have an European currency in all the different money markets, and those bonds, as soon as their value is affected in one market, so as to be reduced by 1 or 2 per cent., are immediately purchased for transmission to those markets where their value is still unimpaired.

2546. But high rates of discount are not always concomitant with a low price of securities?—There are always circumstances which qualify the operation of these rules, but invariably an alteration in the rate of discount does operate either to the improvement or to the depression of the value of those foreign securities. I think that may be traced with perfect certainty through all the great changes that have occurred. It was so in the year 1847.

2547. Was not that an exceptional year?—Take more recent times; take the period of war; of course a period of war itself is an exception, still the same facts appear. There were great variations in the rate of discount, and there were at the same time in our market great variations in the value of all foreign securities.

2548. But at moments of high rates of discount, and monetary difficulty here, do you think that the classes suffering from pressure are, in a general way, holders of foreign securities?—I think that generally the large operators are those who are most likely to be large holders of foreign securities, and that the transfer of those securities is one of the means by which they avoid the aggravation of the movement of bullion which would take place if there were none of those correctives or palliatives.

2549. Do you think that in a general way the mercantile class, the class, in short, that discounts bills, and draws bills and accepts bills, are holders of foreign securities to any considerable extent?—Looking at them numerically, I dare say the proportion amongst them holding such securities is very small; but that does not now prevent operations being effected by the larger and fewer holders, and to such an extent as to afford an appreciable relief in the money market.

2550. Would anybody sell securities except for their own particular wants at such times?—I think they would sell securities for the purpose of those very operations which would afford immediate and tangible relief, namely, the import of bullion.

2551. Or for the purpose of investing in bills of exchange largely at a high rate of discount?—I mean that they would sell foreign securities abroad, or that they would transmit them abroad for sale in order to import bullion, and avail themselves of the high rate of discount here which the money so invested would obtain.

2552. Would it be worth their while to sell permanent securities at a low rate for the purpose of taking advantage of a temporary high rate of discount upon bills?—My consideration implies not merely a transfer of their own, but an actual purchase in the market, in which case that risk is avoided. You might buy in the London market securities of the Governments of Holland, Denmark, and Russia, and transmit these securities to Hamburgh, Amsterdam, and St. Petersburgh, and import in return bullion, which would be again invested here.

2553. Supposing the operation to yield a profit?—Yes.

2554. It would become then a fresh commercial operation?—Yes.

2555. To that extent, then, you think that upon the value of securities a high rate of discount has an effect, but upon the prices of commodities you think it has no effect?—I think that it has no influence whatever upon commodities, but it has an immediate and sensible effect upon securities bearing interest.

2556. Does not the fluctuation of the amount of bullion in the Bank of England represent very nearly the fluctuation in the amount of discounts held by the Bank?—Very closely indeed; at all events, if it does not in precise quantity, it does in concurrent movements.

2557. In a general way, it is an advance of capital by the Bank to the mercantile world?—Of course every advance that is made is an advance of capital.

2558. In a general way, does not a diminution of the bullion represent an advance of capital by the Bank to the mercantile body?—It may represent either an advance of capital by the Bank to the mercantile body or to the State, or it may represent the withdrawal of deposits from the Bank by the mercantile body or by the State. One or the other it must be. Generally, when a considerable drain sets in, both increased advances and the withdrawal of deposits operate in removing bullion from the Bank.

2559. But generally speaking, the fluctuations in the amount of bullion are represented very nearly by the fluctuations in the amount of discounts, and therefore we may assume that a diminution in the bullion represents an advance of capital by the Bank to the mercantile body?—Very fairly so.

2560. When the bills upon which the Bank has advanced fall due, the acceptors of course must provide for them, and if their trade has been based upon capital, and if they decline to continue their operations abroad, they must bring home their capital, in order to pay their acceptances?—That is supposing that the business for which the bills were drawn has been export of capital. Upon that supposition, their only course to meet those obligations is to bring back their capital from abroad.

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2561. Then by the return of that capital, the exchanges will be affected, and it will cause an accumulation of unemployed capital in this country?—Yes.

2562. Is not that sufficient to account for the fluctuations in the bullion of the Bank, without supposing a great transfer of interest-bearing securities or of commodities?—As to what amount of business there may be of the distinct and definite character in the question described, I am quite unable to form an opinion; but I doubt whether it is of such an extent as to make a reliance upon it at all a satisfactory means of restoring the bullion in the Bank; I think that the other is the quicker and the more obvious means.

2563. You do not think that the fluctuations in the bullion in this country is due to the fluctuation of the demands for the commerce of this country?—I think the fluctuations in the amount of bullion are due entirely to the necessities of this country, either for commercial or for war purposes which require it to make a large amount of foreign payments exceeding the amount which its ordinary exports are able to balance.

2564. I am excluding a time of war and looking to the general fluctuations of the demands of the country for the purposes of trade?—The most important and operative cause of a drain of bullion is, according to the experience of the last few years, a very large import of grain. Now in that case, no export of commodities sufficed to meet it. It was an import of grain and flour paid for in the first instance by bullion, because you had no other immediate means of payment, and the restoration of that bullion would obviously be obtained by recalling capital from foreign investments. That would be effected either by parting with some of your claims upon foreigners, or by establishing a credit with them to be discharged in after years.

2565. Are not foreign countries, generally speaking, in debt to the merchants of this country?—No doubt of it, very largely.

2566. Therefore, the cashment of those debts might be sufficient to account for a very large accumulation of capital in this country?—No doubt of it; and the use of those debts is one means which we possess of settling the bullion question when a large import has occurred. I conceive that in 1847, the ultimate restoration of our position was effected by our striking off so many millions previously due by America, and so many millions due by Russia to this country, either in its political or in its commercial capacity.

2567. The action of the Bank of England therefore, which takes place through the medium of bills of exchange, represents the mode by which the exchanges of the country are influenced in favour of this country?—Yes; the action of the Bank of England is evidenced by the bills which it receives for discount. That is an important evidence of the amount of operations which are immediately connected with the foreign payments of the country.

2568. The mode that the Bank of England usually adopts is, by fixing a low price at which it buys those bills of exchange, that is to say, it charges a high rate of discount upon them?—The Bank charges a higher rate of discount when it finds that it is charging less than the public market warrants, or less than its own convenience renders it desirable to continue.

2569. What is your opinion as to a restriction upon the terms of bills of exchange which the Bank will discount as a mode of action upon them, instead of charging a high rate of interest?—I think that any restriction upon the date of the bills which the Bank ordinarily discounts is an undesirable mode of effecting the purpose, which would be effected more certainly and more equally by continued action upon the rate of discounts.

2570. You think, that the action by a high rate of discount is more certain than by restricting the term of the bills?—I think it is more certain, because it is more sure to operate as a corrective, not merely as easing the present pressure upon the Bank, but as a real corrective, which is the great thing to be aimed at.

2571. Do you think that the charging a high rate of discount has the effect of diminishing the demand upon the Bank?—I think that charging a high rate of discount does not always diminish the demand upon the Bank. I think it has a tendency to do so, but that it does not always produce an immediate effect, inasmuch as it is the large amount of pressure upon the Bank for discounts which forces it to raise the rate.

2572. Do you think that the high rate of discounts has an effect upon the exchanges?—The high rate of discount has an immediate effect upon the exchanges; it serves to correct them. For instance, in 1847 the exchange between

between this country and St. Petersburg was very high. When the Government letter came out authorising the Bank to issue, irrespectively of the limitation of 14,000,000*l.*, the stipulation was, that the rate of discount to be charged should be 8 per cent. At that moment, with the then rate of discount here, it was a profitable operation to order gold to be shipped from St. Petersburg to London, and on its arrival to lend it at 8 per cent. up to the maturity of the three months' bill drawn against the purchase and shipment of the gold. If instead of the Government letter having stipulated an interest of 8 per cent., it had fixed the interest to be charged at only 6 per cent., it would not have paid any one to bring gold from Russia upon those terms. There is an instance to show how a high rate of interest here serves to facilitate and induce these bullion operations which restore the amount of currency, and which consequently restore ease to the market.

2573. Are you aware that during the year 1847, during a great portion of which the exchanges with Russia were against this country so as to cause a loss of nearly 2 per cent. in importing gold, yet nevertheless gold was imported from Russia?—In 1847, in August, the exchange with St. Petersburg was 38⅞ths; at that rate of exchange it would not have paid to send gold here. Of course in all bullion operations there are many points to be taken into consideration; there is the rate of exchange, and the rate of interest which is available for the investment during the period of the maturity of the bill, and no fixed action can be taken upon a consideration of one of those points alone.

2574. Is it not the difficulty of procuring discounts that affects the exchanges and affects the drawing of bills, rather than the rate at which they are discounted?—I think not; I think the rate of discount is a thing which affects securities and which affects all commercial operations. The only effect of limiting the *échéance* of bills which you propose to discount is simply to divide the claims upon you, and that in an arbitrary and capricious way. It has the same effect as if you were to say, "We will discount no bills drawn from abroad; we will only discount bills at home, or we will discount no bills drawn from India." In fact, it is throwing off a portion of the probable claims upon you, but it is doing it in a way which operates to the inconvenience of individuals, or the inconvenience of individual trades, and I think it has a less powerful effect in the way of correction than raising the rate upon all bills.

2575. Has not it the effect of diminishing the number of bills?—I do not think it has, because, like all other expedients which seek to evade the actual difficulty, it is always met by evasive means. If the Bank of England puts an extra charge upon bills having a longer date to run, the bill brokers are happy to take those long dated bills at an additional price, and the parties who have the short bills come to the Bank at the lower price, so that the only result of the distinction is to send the best part of the business to Lombard-street, and to keep the worst at the Bank of England.

2576. Do not you think that the effect is, to cause persons to be rather chary of drawing long bills when they have to discount them at a higher price?—I think that everything which throws uncertainty upon the ability of persons to conduct to a favourable conclusion the operations of commerce is injurious, and that the true object of operations of finance is not to impede or obstruct commerce, but to give every possible facility consistently with those requirements which are necessary to bring about and recover a position of ease.

2577. That is a question of policy; but, as a question of fact, has it not that effect?—That effect would be the direct result of the measure were there not a mode of evading the immediate pressure upon those who might otherwise be exposed to it.

Veneris, 26° *die Junii*, 1857.

MEMBERS PRESENT.

Mr. Blackburn.	Mr. Spooner.
Mr. Cayley.	The Chancellor of the Exchequer.
Mr. G. A. Hamilton.	Mr. Vance.
Mr. Hankey.	Mr. Weguelin.
Mr. Hildyard.	Mr. Wilson.
Mr. M. T. Smith.	

THE RIGHT HON. THE CHANCELLOR OF THE EXCHEQUER, IN THE CHAIR.

John Gillibrand Hubbard, Esq., called in; and further Examined.

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2578. Mr. *Wilson.*] YOU stated in your last examination, that in your opinion the prices of articles were not in any way affected by the amount of the circulation of notes or of coin in the hands of the public at any particular time?—I stated that the notes in the hands of the public were dependent upon the state of prices, inasmuch as the value of the commodities passing by transfer between the various members of the community determines the quantity of money required as the representative of value to effect those transfers; so that the amount of the circulation is dependent upon prices, and not prices upon the circulation.

2579. You take the amount of circulation to be rather the effect than the cause?—Distinctly.

2580. You consider that higher prices lead to the necessity of a larger amount of circulating medium, in order to transfer goods from one hand to another?—Precisely so.

2581. When we speak of the relative value of gold and commodities, do we not refer to the proportionate value of gold as an entire quantity of supply, and the relative quantity of goods which are represented, or which may be represented, by that gold?—When commodities are compared with gold, I take it that the question is (or ought to be understood to be) of the entire amount of gold, or in fact the entire amount of precious metals circulating through the commercial community, as compared with the quantity of commodities, for which that amount of the precious metals is constantly exchangeable.

2582. Our standard of value in this country in which we express the price of all commodities is gold, and our money represents 3*l.* 17*s.* 10½*d.* as the value of one ounce of gold; so that, in whatever way we express the price of an article, it must bear the relation in good money of 3 *l.* 17 *s.* 10 ½ *d.* to an ounce of gold?—Just so.

2583. Is it not the case that commodities and gold will vary in their relation to each other, as expressed by that definite price, according to the price at which gold is produced and the quantity of gold in the world, and according to the quantity of labour required to produce other articles, and the quantity of those other articles in the world?—The relation of the prices of commodities to gold may vary from two causes, namely, either from a variation in the value of gold itself, or from a variation in the price of commodities. A variation in the price of gold may arise from the discovery of new sources of supply from which gold to a greater or less amount may for the first time be brought into the market; gold so brought into the general market of the world, as it is produced with less labour, so it is exchanged for a less portion of commodities; and wherever, by the operations of commerce, it is diffused through the markets

of

of the world, there it produces an appreciation of commodities in value, and a depreciation of gold. On the other hand, commodities may vary in price from many causes; they may vary from diminished or increased cost of production, or from a difference in the existing proportions between supply and demand. The movements of bullion which affect prices are shown to have relation to the whole sum of precious metals in the world; and I am satisfied, from the best consideration I can give to the subject, and from a most careful examination of the facts bearing upon it, that the mere temporary movement of bullion from country to country has no sensible or perceptible effect upon the prices of commodities.

2584. Your opinion is, that the relative values of gold and of wheat must be determined by the cost at which gold and wheat are for a long series of time produced?—Exactly so; the cost at which gold is produced has been, practically speaking, the measure of its value, and the standard value of gold has been the measure of value for wheat, and for all other commodities.

2585. But in the event, which has taken place of late, of large discoveries of gold, whereby the quantity has materially increased, and the cost of production has materially diminished, a disturbance may take place in the relative values of gold and of other commodities, the production of which has remained stationary?—Clearly so; and there is a counterpart to the effect produced by an increased supply of gold. The value of gold may be depreciated by an increased supply, but it may be appreciated as a measure of the value of commodities by the extension of civilisation and wealth, and industry, requiring a larger gold circulation, to effect the transactions of different countries. But that last consideration is one which can operate only to a very minor degree as compared with the former cause of variation.

2586. So far as the first of these causes did operate, it would only be by an increased demand for the time being for other commodities?—It would have the effect of raising the prices of other commodities, and so far of course would create an additional demand for their production.

2587. It would be the stimulus which any sudden increase of wealth diffused over the world would give to the consumption of other commodities for the time being, and the additional demand created for those commodities, in consequence of that additional consumption?—That would appear to be the course of things.

2588. Therefore, when you say that in your opinion the quantity of circulation in a country at any particular moment has no effect upon prices, you do not mean by that to deny that an increased quantity of gold or silver, if permanent, will have an effect upon the relative prices of commodities, as expressed in the precious metals?—Clearly an addition to the supply of the precious metals will have, locally, at first, and gradually throughout the commercial world, an effect upon the prices of all commodities.

2589. But unless the entire supply of gold were increased, the mere fact of a larger portion being centred in London or in England, at any one moment, would not have an effect upon the prices of commodities?—None at all.

2590. The effect would rather be to make gold an article of exportation to any market where it was in demand, until it found its level of distribution?—Exactly so.

2591. And therefore, unless the whole quantity of gold is increased, so as to affect the value of commodities so expressed in gold everywhere, no effect upon prices can take place at a particular spot from that cause?—None.

2592. Therefore your opinion is, that it is by the entire increase in the quantity of the precious metals, and not by any alteration in their distribution from day to day, that those fluctuations of prices take place?—That is my opinion.

2593. You stated in your last examination, that you hold the opinion that the circulation of notes in the hands of the public can with great difficulty be affected to any extent. Is it your opinion from your experience and observation that the circulation of notes in the hands of the public is very uniform?—In speaking of the circulation in the hands of the public, as we now consider it, we ought really to distinguish between the lower and the higher denominations of notes; for it will be obvious that notes of 1,000 *l.* and 500 *l.*, and 200 *l.* and 100 *l.*, perform a different part in the financial economy of the country from what is performed by notes of 5 *l.* and 10 *l.* That difference is very remarkably evidenced by the experience of the last five years. Within the last

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five years, an addition of 2,000,000 *l.* has been found in the Bank of England circulation of notes of 5 *l.* and 10 *l.*, and an equal diminution has taken place in the notes of from 50 *l.* to 1,000 *l.* The cause of that diminished circulation of the larger notes has arisen from the adoption of improved banking expedients in the city of London. One of those causes occurred in June 1853, when the private and joint stock banks of London agreed to settle their relative claims upon each other at the close of the day by cheques on the Bank of England, instead of using bank notes. In May 1854, the clearing process was still further carried out by the transfer of drafts amongst each other, and by the admission of the joint stock banks to the clearing. And in April 1855, by an arrangement with the Customs, various duties upon imported commodities were paid by drafts instead of being paid in notes. The operation of those three banking expedients or economical processes has economised the circulation of the higher denominations of notes to the amount of 2,000,000 *l.* sterling; but during that same period the circulation of the lower denomination of notes has extended to the same amount. In April 1852, the total circulation was 20,300,000 *l.* It was as nearly as possible at the same amount in July last year, and the difference between the denomination of notes is precisely that which I have stated; in round numbers a decrease of 2,000,000 *l.* in the higher denominations, and an increase of 2,000,000 *l.* in the lower. That is a very remarkable effect, because it shows to what different purposes the notes are really applied. The higher notes have been, in fact, representatives of claims upon the Bank of England lodged in the hands of the bankers themselves; whereas the lower denomination of notes have been held by individuals for the purpose of effecting their daily operations. It is especially the case with regard to these lower denominations of notes, and equally by parity of reasoning with regard to the gold circulation of the country, that with every expansion of prices there would be a tendency to expand the circulation very nearly to the same extent. Not quite to the same extent, because under all these fluctuations of value there is a tendency, on the part of the public, to adopt a still higher degree of ordinary banking expedients, by opening deposit accounts with bankers, and using cheques instead of using notes; but the natural tendency is precisely that. And, on the other hand, the converse is equally true, that when there is a considerable diminution of transactions, both the gold circulation of the country and the use of the smaller denominations of bank notes are necessarily contracted.

2594. You are aware that the Treasury authorised two modes by which Customs duties might be paid, so as to economise the use of bank notes in the hands of the London bankers; one of them being by a bank note, manufactured expressly for the purpose, bearing upon its face "payable for Customs duties only," and receivable only from the Custom House; the note being made for the purpose of security, in order that if it were stolen it might be safe from misapplication; would not that note perform all the functions that an ordinary bank note would perform?—It might perform in its particular office the functions which a bank note would perform, and perhaps more economically; but it is obvious that a bank note, being a note payable to bearer, and of immediate value, any document substituted for a bank note that is not payable to bearer, and which is not immediately convertible into cash, cannot be considered as a bank note. Therefore, the note you have described is not a bank note in any sense; it is one of many banking expedients that are usefully invented for the purpose of economising bank notes.

2595. But, so far as the bank notes which the bankers of London hold in their reserves, for the purpose of supplying their customers for the payment of Customs duties were concerned, these notes or documents answered the whole purpose which any other bank notes held for that purpose could have answered?—They might have answered the same purpose.

2596. My former question had reference rather to your experience as Governor of the Bank of England, whether you felt that you had the power at your own will to increase or diminish the quantity of notes in the hands of the public at any particular moment?—It is within the power of the Bank, by selling securities, to withdraw some portion of notes in the hands of the public out of the hands of the public into their own; but those notes are in that case almost invariably of the higher denominations. They are bank notes not circulating in the hands of individuals, or in the pockets of the public generally, but in the deposits of bankers. The bankers would buy the securities which the

the Bank sold, and would send to them the bank notes which they happened to have in reserve. But, to a very great extent, any such operation on the part of the Bank would bring back, not bank notes at all, but merely cheques upon themselves against the deposits they are holding for those very bankers. It happened that on one occasion I had reason to trace through an operation of that kind which was made by the Bank, and I found that, upon a considerable sale of stock, one-half of the payment came in direct cheques upon the Bank of England itself, and of the remaining portion a certain share was in cheques upon various bankers, but a very small portion indeed in bank notes.

2597. With respect to the portion that would come in in bank notes, those bank notes must come out of the reserve held by private bankers?—Precisely.

2598. As it is the rule for private bankers to hold ordinarily in reserve only what they consider necessary for the convenient conduct of their trade, would not they be obliged to replace their reserve, if it were unduly drawn upon, by drafts upon the Bank of England?—The sale to which I alluded was made at a time when the bankers' accounts and reserves are usually very full, immediately after payment of the dividends; it is precisely at those periods that the Bank would be most likely to make such an operation; but those operations are very rarely made. It was rather a tentative one upon that occasion, than one that was expected to lead to any very strong results. A banker may or may not have occasion to replace those notes; he may have a reserve that he can fairly part with, and most probably would.

2599. If a banker has more reserve than he considers necessary for the conduct of his business, will he not probably pay it into his account at the Bank of England?—Some bankers do not keep their reserve at the Bank of England; there is a difference of practice in that respect. The majority of the bankers keep a very small proportion of their reserve at home; the remainder they keep in deposit at the Bank of England. There are other bankers who do not follow that course. As soon as they receive the dividends, they carry them home, and keep them at home as their reserve; and those notes only come out gradually during the quarter, at the end of which they are generally exhausted. And I imagine that a large portion of the higher denominations of Bank of England notes in the hands of the public is held by bankers who work their deposit accounts in that way.

2600. Who keep their own notes?—Who keep their own reserves.

2601. Is it not customary for the great bulk of the bankers in London to keep an account with the Bank of England?—They keep an account with the Bank of England for the convenience, which is very considerable, of having an account at the time of paying the dividends. Owing to their having a deposit account with the Bank of England, the Bank of England is able, by a mere line of entry, to place to their credit the amount of the dividends which they have to receive on their own or on their customers' account; but while some bankers leave the amount of dividends which they receive at the Bank till they want it, others immediately take it away.

2602. But in neither case does it at all depend upon the will of the Governor of the Bank whether the notes are kept out or paid in?—Not the least.

2603. Therefore, as far as the will of the Governor of the Bank is concerned, he has no power, either to increase or to decrease the circulation from day to day?—Not from day to day. By the operation of selling securities he may withdraw some portion of the notes held by the public, but not to any considerable extent.

2604. The operation of that upon the circulation would be very limited?—Very limited.

2605. To the extent to which it is done, it will have an effect upon the entire liabilities of the Bank, taking the deposits and the circulation together; but upon the circulation alone it will have a very limited effect?—I should say that the sale of securities, while it diminishes your assets, diminishes also your deposits; that is practically the effect. But I imagine that the action upon the reserve, and therefore the action out of doors, is very much less than the action upon the deposits.

2606. In fact the sale of securities, which is the most direct way in which the Governor of the Bank can expect to contract the circulation, will have more effect upon the deposits than upon the circulation?—It will.

2607. It appears that the amount of advances of the Bank varies very much

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at different times; I observe, for example, that in one part of 1854 the private securities were as low as 12,000,000 *l.* or 13,000,000 *l.*; in another part of the year, towards the close of the year, they rose to 19,000,000 *l.* and 20,000,000 *l.*; would not that increase of securities represent the extent of the advances of the Bank of England over the repayments to the Bank of England?—The difference between the two would.

2608. The advances during that period above the repayments of the obligations falling due to the Bank?—Certainly.

2609. In all these advances made by the Bank an opportunity is given to the public to obtain notes when they wish them?—Yes.

2610. And therefore, if there were any deficiency of notes in circulation at any time when the advances of the Bank of England were increasing, there would be an opportunity for the public to obtain an increase of notes?—Certainly.

2611. Is it consistent with your observation, that no increase of notes in the hands of the public took place under those circumstances?—Whenever any very large advances are made by the Bank, the circulation in the hands of the public ordinarily increases, because a portion of it does get into the hands of bankers and of others, but not to anything like the extent of the advances themselves.

2612. But this account before the Committee would rather show that the amount of notes in the hands of the public was quite as large when your advances were 12,000,000 *l.* or 13,000,000 *l.*, as represented by private securities, as it was when your advances were at 19,000,000 *l.* or 20,000,000 *l.*?—That might perfectly be the case by comparing distant periods.

2613. It appears to be the case at different periods in the same year?—In the same year, at intervals of some weeks. I am merely observing that the fact of making advances has, to some extent, a tendency to increase the amount of circulation in the hands of the public.

2614. If the notes be not required they immediately find their way back to the Bank of England, either in exchange for gold, or as a deposit to the credit of the banker or other person?—Yes; but the probability is, that they would hardly take advances from the Bank merely to re-deposit the money. It is usually to replace a contraction in the external circulation which is taking place through the action of the revenue. I find at the end of each quarter, that the action of the revenue is to throw into the reserve of the Bank of England a considerable portion of the note circulation as well as of the gold circulation of the country; and it is at those periods that the advances are most active, and the consequence of those advances is to return to the public for the purpose of carrying on their operations, the notes and gold which have been brought in through the action of the revenue.

2615. But all these exchanges in the circulation are determined by the requirements of trade, and not by the will of the issuing bank?—Exactly so.

2616. Have you observed also, that in proportion to the amount of your advances, your bullion has always a tendency to diminish?—I would say that it is the demand for bullion which leads to applications to the Bank for advances. Where there is a large foreign payment to be made, under circumstances which do not allow for the arrangement of expedients which would avert the export of bullion, the export of bullion takes place as the immediate and most ready means of payment; and under these circumstances it is drawn from the Bank, either through the medium of deposits or through the medium of advances, but it is the action of the commercial public upon the Bank which then operates to increase the advances made by the Bank of England.

2617. That is, when there is an adverse exchange, and a great demand upon you for advances, that demand exhibits itself in the withdrawal of bullion?—It does.

2618. The demand upon your deposits, I imagine, is comparatively small, seeing the very even amount at which they stand even during a period of panic?—The deposits of the Bank vary considerably less than the reserve.

2619. Will you separate the private deposits from the public deposits, which fluctuate by a different rule. Will you look at the year 1855, as shown in Paper No. 28; you will observe that in 1855, in the month of June, the rate of discount was 3 ½ per cent., and you will observe that it gradually increased till the close of the year, when it was as high as 6 and 7 per cent.?—Yes.

Vide Appendix, No. 14, p. 136.

2620. Now, if you look at the private deposits (called "Other Deposits"), in the

the month of July, you find that they fluctuate from 11,000,000 *l.* to 12,000,000 *l.*, when the rate of discount was 3 ½ per cent.?—Yes, they were 13,000,000 *l.* at the commencement of July.

2621. And 11,000,000 *l.* at the end of July and throughout August?—Yes.

2622. While the rate of discount was 3 ½ per cent.?—Yes.

2623. Now, towards the close of the year, in the month of December, when the rate was from 6 to 7 per cent., you find that the amount of the deposits was still from 11,000,000 *l.* to 12,000,000 *l.*?—I can supply some explanation of the magnitude of those deposits at the end of 1855; I find that the Turkish loan account had been opened at the Bank, and that the amount upon the Turkish loan account at the end of the year was 2,500,000 *l.* nearly.

2624. In what month was the Turkish loan account opened?—It runs from August to the end of the year; it varied in amount, because part of it was drawn off in September, but in October it was 500,000 *l.*, and it increased to 2,500,000 *l.* at the end of the year.

2625. But the deposits of the Bank are not so fluctuating as the demands for advances?—No; the variations in the demand are one of the great difficulties of the Bank of England; the Bank of England has to meet a demand varying very largely indeed, and has to meet it out of its reserve; that is the reason why the reserve of the Bank of England requires to be managed with extreme judgment and extreme moderation at one time, and with considerable courage at another.

2626. Therefore, in point of fact, the amount of advances affects the bullion more than anything else?—The amount of advances does not necessarily affect the bullion; if the amount of advances takes place with reference to internal purposes, the bullion may be very little affected by it; but if the purpose of those advances is for foreign payments, then of course the bullion is the medium through which those payments take effect.

2627. Did not the great increase of the advances to which you have just adverted take place for foreign demand?—They did so in 1855.

2628. Will you have the goodness to explain a statement which you made in answer to Question 2325 of the last day's evidence; you stated, as one of the effects of the separation of the Bank accounts, "It has been beneficial in a scientific view, because the effect of the separation was to give a legal affirmation to the true character of currency, by removing it from being confounded with bills of exchange, with promissory notes, with deposits and with book debts; and, in fact, from the whole category of banking expedients and representatives of credit." Will you have the goodness to explain what you mean by that supposed change in the character of the Bank of England now as compared with that which it possessed prior to the passing of the Act of 1844?—I mean this: some writers upon the currency have been in the habit of classing with bank notes bills of exchange, of which the amount in circulation throughout the country is very large and variable, and others have classed as currency bank notes, bills, cheques and bankers' deposits. Different writers have more or less extended their definition, but taking two points alone, it seems to me very important that bank notes as currency and as capital should be clearly distinguished from the mere representatives of credit or of commercial transactions which exist in the shape of bills of exchange or deposits in banks.

2629. Supposing that be quite true (which I do not dispute), how did the Bank Acts of 1844 make any distinction; has not the opinion to which you have referred been held by many persons since 1844 as well as before; how did the Bank Act of 1844 make the bank note more distinctly currency than it was before?—I think if the Bank Act had been in existence 20 years ago, it would have been impossible 10 years since to have argued in the way I have mentioned, that bank notes, and bills of exchange, and deposits were all of the same character, and might be classed together. The great distinction made by the Act of 1844 has been by limitation of the credit issues, and by cutting away altogether the possibility of an arbitrary creation of currency. Capital cannot be arbitrarily created; and the credit capital of the country, which is one of the highest efforts of financial ingenuity, based upon national credit, cannot be extended beyond a certain point; there must be a limit to it. The Bank Act, by putting a strong and distinct limitation to the issue of credit paper in this country, has converted that credit paper into capital. Before the Act of 1844, it was impossible to say what bank notes were worth when there was no barrier

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to their indefinite extension. I base the great distinction made by the Bank Act upon the simple circumstance of the limitation of quantity.

2630. The distinguishing character of a bank note, as compared with other species of securities is, that it is payable to bearer on demand, and therefore whoever is the holder, and whoever presents it, is entitled to the amount that it represents?—Precisely.

2631. Was not that the character of the bank note as much before the Act of 1844 as it has been since the Act of 1844?—It was exactly the character of bank notes generally; but there is this immense difference between the two periods, that before it was promise, now it is performance, that is to say, the power of legally evading the obligations of that promise are taken away, and both with regard to the Bank of England note, and with regard to the country notes, limitation of quantity, one of the chief requisites towards the performance of the promise, is now insured.

2632. You have just spoken of legal modes of evading the demand; was there any legal mode of evading the payment of a Bank of England note before the Act of 1844?—As regards the Bank of England, practically, I should not say that there could be any, because, unless you go back to the extremely vicious management of periods earlier than my own experience, such a dilemma would not have happened; but legally the Bank of England was not confined in its power of issue. The Bank of England, prior to the Act of 1844, might, under particular provocation, have issued to an indefinite extent; and I hold that the power of indefinite issue is wholly at variance with the true theory of paper money, which should fluctuate in quantity only as metallic money would.

2633. Does it not resolve itself into the question of security for the convertibility of the note? If the note is equally secure of payment under the one state of circumstances, it is as much a definite denomination of currency as it would be under another state of circumstances, the main object being security for the payment of the note on demand?—Quite so. I entirely join in that definition. I accept security as a sufficient test of what is or is not a proper currency, but then I beg to observe that there is an immense difference between a security which is realised, and a security which is merely dreamt of. Before the Act of 1844, the security was one resting only upon opinion, resting upon caprice and arbitrary action, and uncontrolled by any legal limit, and you cannot have security without limitation. At present we stand in this position, that as regards the Bank of England you have both requisites; you have security given to the State, and you have limitation of quantity, and with those two safeguards you must have convertibility of the note. With regard to the country circulation you have limitation of quantity, which is the first requisite, but you have not the security of ultimate payment. So that there is yet an imperfection in carrying out the proper theory, but still the Bank Charter Act is of very great advantage, because in both instances it has given a distinct limitation to the amount of issue.

2634. Was not it equally the case before the Act of 1844, as it has been since, that the security for the payment of the notes was the bullion which the Bank held to meet them?—Bullion was the material in which the promise was to be fulfilled, but bullion never was provided for the payment of all the bank notes; before 1844 you had an amount of bullion which ought to have provided for the redemption of the note, but which was obviously inadequate, and its convertibility was on the brink of insecurity; you have now an amount of bullion which is equally incapable of meeting all those notes, but which is more than capable of meeting all the notes which, under any event short of a popular revolution, could possibly be presented. But there is this great distinction between the issue of bank notes now and the issue of bank notes prior to the Act of 1844, that you now cannot extend the issue of mere credit paper to more than 14,500,000*l*. Before the Act of 1844 you might have issued an indefinite amount of credit paper; and if you had issued an indefinite amount of credit paper, you could not possibly have redeemed those notes in bullion when a crisis came; that would have endangered their convertibility.

2635. The whole, therefore, amounts to having a proper reserve of bullion to meet the liabilities of the Bank?—No; it is impossible to say that any given amount of bullion would meet all the notes; it must be done by a limitation of the amount of credit paper.

2636. Does not it resolve itself into the question of the amount of bullion reserve?—Only by rescinding the right of credit issue altogether, and saying that every note shall be represented by gold.

2637. Is not it the fact that before the Act of 1844 (that is, ever since the Act of 1819), there was no instance in which notes were presented at the Bank for payment that were not paid in gold?—Not that I am aware of.

2638. Has there been any instance since the Act of 1844?—None.

2639. The convertibility of the note was practically as secure before the Act of 1844 as it has been since?—No; I must demur to that. As a fact, the note has always been paid, but I cannot say that it was as secure.

2640. You have told us to-day that you had no power to increase the amount of bank notes in the hands of the public by any act which you, as Governor of the Bank, could have performed. What ground have you for supposing that the Bank would have an indefinite power of credit issue if this limit were taken away?—The power which I alluded to is the power of issuing notes when the bullion which ought to represent them is being removed. Supposing that you have an equable value of money, it is not probable that the Bank would over issue under any circumstances; but imagine a drain upon the resources of the country for a large foreign payment, the gold is exported, and under present circumstances the value of the remaining circulation must rise, and there you have a corrective for the recovery of the gold. But if the Bank of England continued to issue notes without raising the rate of discount, in the event of a large foreign drain, they might issue notes until there was no bullion left to pay any of them with, and then would come that inconvertibility which it was the main purpose of the Act of 1844 to guard against.

2641. But in that case it would be not an increase of notes in the hands of the public, but a drain upon the bullion in the Bank till it was become exhausted?—It would be a drain upon the bullion in the Bank, in consequence of a continued issue of bank notes without a foundation of bullion for their repayment.

2642. But the continuous advances of the Bank by the discount of bills and other means would go out in bullion and not in bank notes?—Just so; the advances would be taken as a means of withdrawing the bullion.

2643. Then it would be a diminution of the bullion, not an increase in the circulation of notes?—It does not follow that there would be no increase in the entire circulation of notes out of doors.

2644. One effect of the Bank Act of 1844 is to compel the Bank to keep a larger amount of bullion than they need to have kept before the Act of 1844?—I do not say that that was the object of it, but that has clearly been the result of it, and I think very properly so; because, during the period previous to the passing of the Bank Act, circumstances had occurred which had placed the convertibility of the bank note, if not in imminent danger, still within a degree of hazard that ought never to be admitted. I think that the additional stock of bullion kept by the Bank, as a compulsory consequence of the Act, has been well employed in excluding the possibility of risk.

2645. Must it not be an inevitable result of the Act, when under the Act of 1844 you have to keep bullion in the first place equivalent to the amount of notes beyond the limit of 14,000,000 *l.*, and also when your own security compels you to keep a further reserve of bullion as against your banking obligations?—We do not keep a reserve of bullion against our banking obligations; we keep nothing but bank notes; we keep some small change amounting to 600,000 *l.*, but nothing more.

2646. But the amount of bullion in the issue department, over and above what you require for the notes in the hands of the public, is a reserve always open for you to go to?—It is open for us to go to, or for anybody else to go to with the bank notes that it represents.

2647. If a depositor comes to you with a cheque for 500,000 *l.*, and requires gold for it, you withdraw that gold from the issue department, although, of course, you replace notes out of your own banking department in exchange, but in point of fact you satisfy your customer with gold out of the issue department?—We give him notes, and he goes to the issue department and gets his gold.

2648. That is, the Governor and Company of the Bank of England at one counter give him their notes, and he goes to another counter of the Governor

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and Company of the Bank of England and receives in gold?—Yes; he gets his notes from the banking department, and then he goes and gets gold from the issue department.

2649. But the depositor's demand is, in point of fact, satisfied out of the bullion belonging to the Governor and Company of the Bank of England?—I am not aware of any obligation upon the Bank to repay their depositors in gold.

2650. You do not agree with those who believe that the Bank of England note is not a legal tender by the Governor and Company of the Bank of England?—I have not a doubt that the bank note is a legal tender by the Governor and Company of the Bank of England in the banking department, under the provision of the Act of 1844.

2651. That is your opinion of the state of the law upon that point?—Yes.

2652. But in point of practice it makes no difference, because the depositor has only to go from one counter to another to convert it into bullion; so that the depositor's claim is a claim against the bullion which you have in your possession?—I do not think that the depositor ever thinks of the bullion; he knows he has got a deposit which he may have value for in any way that he pleases. I doubt whether a depositor of the Bank of England ever looks to the gold or bullion reserve as being a matter to which he need refer for his payment.

2653. You are aware that, if a depositor wanted his money for the purpose of being exported, notes would be of no use to him for the purpose; and therefore the Bank of England, in that case, are obliged to find him gold for his deposit, though it may be through the medium of notes?—The Bank of England are always ready to pay their depositors in notes, and to pay their notes in gold.

2654. Suppose we had a metallic currency altogether, do you think there would be any difference in the laws that would regulate its variations as compared with the laws which now regulate the quantity of notes in the hands of the public; you have already stated very truly that the amount of notes which people hold is the smallest quantity which they absolutely require for their transactions; now if the currency were metallic, do you think that any other principle would regulate the quantity of coin in the hands of the public than that which now regulates the quantity of coin and notes conjointly?—The principle would be precisely the same, and the amount would be regulated in the same way. In the lower denomination of notes, 5*l.* and 10*l.* notes, the result would be practically the same; people would not think of putting 50*l.* worth of gold in their pocket-book, so that the amount of gold that would be circulated instead of the notes would not be equal to the amount of notes; there is no doubt that banking expedients would be provided which would take the place of the gold circulation, but the principle that would regulate the amount would be identical, and the variations would be precisely the same.

2655. In case of a metallic currency, would you think it desirable to place any limit by law or regulation upon the amount of that circulation?—I should not think it expedient to do so, because any attempt to do it would be utterly unavailing. I hold, that you can no more regulate the amount of circulation in a country, whether metallic or otherwise, than you can regulate the winds that blow.

2656. And you hold the same opinion with regard to a mixed circulation of gold and notes?—Entirely.

2657. Therefore, as far as the fluctuations are concerned, in both cases they would be acted upon by rules and circumstances over which the issuers of the notes, or the coiners of the gold, would have no power whatever?—None whatever. Whether the circulation be in notes, or whether it be in gold, the issuer of the circulation has no power to determine the amount which should be kept or used by the community. The community have a natural repugnance to keep by them needless currency, either in notes or gold. There are no less than three objections to it: there is the inconvenience of it, there is the risk of it, and there is the loss of interest which is involved in keeping it. So that, practically, no one keeps more circulation in his possession than he can possibly help. The only way in which the amount so circulating can be affected is by the operation of the higher or lower value of money. If the value of money is low, say two or three per cent., people do not so much mind keeping a few

a few hundred pounds lying idle, as they do when the value of money is six per cent., when they immediately scrape it all up and send it to their bankers, or endeavour in some way to make it profitable.

2658. You would not consider it necessary in the case of a metallic circulation to attempt to regulate or to limit the quantity which the public should hold?—Not at all, no more than we do now; we do not now attempt any regulation, neither could we if there was a metallic circulation.

2659. Is it your opinion that portion of the metal in circulation in a country can be made available in ordinary cases of an adverse exchange to meet the demand?—By a "metallic circulation" I imagine is meant the sovereigns and half sovereigns which are held by the various members of the community; the coin in the hands of the public. I think it is impossible to get it out of their hands, for the reason I have mentioned before, that they hold no more than they absolutely want for their daily operations.

2660. The portion of gold held in circulation in the hands of the public is so much of the capital of the country abstracted from the office of bearing any profit or interest, but performing the convenient and useful function of circulating commodities more easily and profitably than they could be circulated by barter?—The circulation of the country, taking the present state of things, consists of bank notes and gold. The sum total of that circulation of gold and notes is in fact the uninvested capital of the country. As the very term implies, it is a use unwillingly made of it, because no person keeps capital uninvested if he can invest it, but it is uninvested because it is requisite for giving effect to the daily operations of the community.

2661. And no ordinary circumstances would induce the public to part with what was actually required for these purposes?—A very high rate of interest is the only cause I can think of which could induce people to economise their amount of currency, and to do with less; and that can have but a very limited effect.

2662. Even that effect, you think, must be very limited?—Very limited indeed.

2663. In the event of an increase of prices, or an enlargement of trade, an increase of currency becomes absolutely necessary, does it not?—Certainly.

2664. Therefore an increase of currency would follow as an effect, and not precede as a cause, such an increase of trade or increase of prices?—It would be a consequence of it.

2665. And a diminution of prices, or a contraction of trade, might lead to a contraction of the currency?—It would release a portion of the gold from its necessary function.

2666. So that in both cases the action upon the currency is the effect of changes in the state of trade, and not the cause?—Exactly so.

2667. Is there anything in the issues of country banks which makes a difference in the principle upon which their notes are circulated, from the general principle which you have described as applicable to the notes of the Bank of England?—I am not aware of any different principle now, because the limitation which has taken place with regard to country notes has converted them distinctly into capital, so far as regards the owners of that privilege, and they are not likely now to be induced, by offering them at less than the prevalent rate of interest, to extend the circulation, when they can get nothing by doing it. Before the passing of the Act a temptation to over-issue did exist.

2668. You have described forcibly the impossibility of bankers inducing the public to retain more notes than they actually require. Then in what way could a banker over-issue, even if he had no limit, that is no artificial limit, by Act of Parliament?—A banker who would offer his notes at one per cent. less than others, would no doubt cause a great many people to come to him, and in that case he might certainly put out a considerably larger number of notes than his neighbour. It is true that his notes would have an immediate tendency to return upon him for payment; and it would only be therefore by some consecutive action, always prompted by the same principle, that he could permanently establish an enlarged circulation of his notes. So that, although there possibly have been attempts to carry out that principle, and to give rise to considerable over-issues at times, yet I admit that they have fallen very far short of the popular apprehension as to the nature and effect of country issues.

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2669. Your opinion is, that there has been a very exaggerated notion as to the extent to which country banks, either have the power to issue their notes, or to which they practically have over-issued them?—I think the popular notion was an exaggerated one, because it assumed that it was a mere question of volition on the part of country bankers.

2670. You stated that if one banker were to offer his notes at one per cent. less than others, he would have little difficulty in issuing those notes; but is not the question of the quantity of notes in the hands of the public mixed with quite another principle, over which the banker has no control; would not one of these two effects immediately occur: either that his notes would displace in the hands of the public the notes of other bankers, the quantity remaining the same; or that those notes would immediately return to him for payment, leaving the quantity in the hands of the public as they were before?—That would be the natural result. As I stated on a former day, nothing would give those additional issues any permanent circulation, except the creation in fact of a new colony, amongst whom those notes would fulfil their natural office.

2671. The advance of capital that the banker will make in the first instance would enable some person to raise a new factory, or to bring into operation a new trade which would require a larger circulation?—By extending operations, the community could use a larger amount of circulating medium.

2672. Are you not aware that it is a rule amongst country bankers, and always has been, being a rule suggested by experience, that they are not justified in making any advance of capital in the shape of notes that they would not be prepared to make in the shape of coin?—I never heard of so admirable a rule.

2673. But is it not the fact, that if a country banker makes an advance to a customer of 10,000 *l.* in notes, he does not expect that those notes will remain out of his hands, but that they must be returned for payment?—I cannot say what expectation a country banker might have under those circumstances.

2674. Would not that be the effect?—It may or may not be so to the full extent. I have no doubt that country bankers who enter into active competition in trade in the way of loans or investments, are always hoping that a certain portion of their notes so placed in the hands of the public will stick to them, because it is by their sticking to them that they would derive a profit.

2675. Do you remember that Mr. Gurney in 1848 gave evidence on this subject, in which he stated that by long experience country bankers had arrived at last at a clear and distinct rule, that it was impolitic to make any advance in notes which they ought not to make in coin or in Bank of England notes, inasmuch as the notes by which they so made the advance immediately returned upon them?—I have no doubt that experience would very soon teach a country banker that it would be extremely dangerous for him to make an advance, if it were an advance, not of capital, but of mere paper, which he could not hope to keep in circulation.

2676. In your former evidence, you make a distinction between the period before the Act of 1844 and the period since 1844, inasmuch as you say that before the Act of 1844, when a banker lent his notes he lent his credit, but that now he lends his capital. But if before the Act of 1844 he made an advance in the shape of notes, were not those notes returned to him immediately, either through another bank, or through the hands of the public; so that the thing would find its proper level just as it would now?—Not in the same definite degree. The absence of limitation always opened to the country banker a vista of enlarged circulation. The more active his business, the larger amount of notes he hoped to keep out.

2677. But if he kept out a large amount, it would be at the cost of some rival issuer, whose notes he would displace?—Probably.

2678. Therefore, the agregate quantity of note circulation would not be affected, though the quantity of the particular issuer might be affected?—Probably. But I must state upon that point that the action of country banks, if you look at them as a whole, might have been this: they might all have been animated by the same feeling of wishing to extend their issues at a time when, at the head quarters in London, it might be found necessary, in consequence of the diminution of bullion in the country, to restrict operations, and to raise the rate of discount at the Bank of England. They might take that opportunity of extending their issues generally, so that their circulation might encroach,

encroach, not upon the circulation of one another, but upon the circulation of the Bank of England, which circulates concurrently with others in the northern districts.

2679. And the increase of the country bankers might go to decrease at the particular time the circulation of the Bank of England?—Yes.

2680. So that while rival issuers as between each other, or as between the country bankers and the Bank of England, might affect the quantity of notes which each might keep out, they cannot affect the entire circulation?—They cannot affect the entire circulation.

2681. In answer to Question 2341, you endeavoured to show that the fact of the rate of interest having been higher during the last three or four years, is a proof that the Bank of England has held a larger amount of gold than it otherwise would have held but for the Act of 1844; is it not the case, that the Act of 1844 makes no provision for the rate of interest, but that that is entirely at the discretion of the Bank?—Entirely at the discretion of the Bank. There is no legal obligation on the part of the Bank with reference to the movements in the rate of interest.

2682. Therefore, if the Bank has held a larger reserve within the last three or four years than it did in former times, that has been in consequence of a wise use of the discretion which they have in managing their entire banking business?—The reserve of the Bank has been dependent, no doubt, upon the discretion with which they conducted their business; but the bullion in the issue department of the Bank is not dependent upon the same discretion. The bullion in the issue department is dependent upon the limit of 14,000,000 *l.*, which was set by the Act; 14,000,000 *l.* was the fixed amount of credit issue, and it has been a matter of inevitable necessity that the Bank should habitually retain such an amount of bullion as would, together with 14,000,000 *l.*, make an amount of circulation requisite for the operations of the country, either in the hands of the public, the bankers, or the Bank itself.

2683. What is the effect of increased advances by the Bank; is it a diminution of the bullion in the Bank?—Yes, if the advances are with a view to foreign payments.

2684. During the last two years, when the demand has been for a foreign drain, the effect of the increased advances made by the Bank has been to diminish the amount of bullion in the Bank?—I do not like to put it in that way, because it would seem as if the Bank was sending bullion out of the country, when they really have nothing to do with it; it is the action of the commercial public upon the Bank. Traders have foreign payments to make, and they come to the Bank for advances, and having got the advances they take the bullion and export it; it is not the action of the Bank which leads to it.

2685. But the effect of certain advances made by the Bank at those periods is, to reduce the amount of bullion, by its being taken out by those to whom it makes advances?—They are concurrent facts.

2686. In an answer which you gave in your former examination, in reply to a question with respect to a supposed diminution of the credit limit of the Bank to 10,000,000 *l.*, you observed that it would be, in fact, throwing away the advantage of economising 4,000,000 *l.* of capital?—Exactly so.

2687. The effect of issuing notes against securities up to 14,000,000 *l.* is, in point of fact, to make an economy of capital to that extent, as compared with an entire issue of metallic currency?—Just so.

2688. Would it not be the same thing if you were to increase the securities to 16,000,000 *l.*: although the amount of notes in the hands of the Bank would not be greater then, would it not be a further extension of that economy by 2,000,000 *l.* more, in the same way that it would be a limitation of that economy by 4,000,000 *l.* if you were to reduce it from 14,000,000 *l.* to 10,000,000 *l.*?—It would be an equally desirable economy of capital if it appeared perfectly safe; the 14,000,000 *l.* I apprehend was fixed with reference to the two-fold object of making the utmost possible economy of capital, and at the same time of leaving no possible risk of inconvertibility; the medium that would answer both these objects was the medium at which the limitation was to be fixed. I think that 14,000,000 *l.* was very wisely selected for the purpose; I think it could hardly have been more, and I do not think it ought to have been less.

2689. £. 14,000,000 was a very just medium at the time at which the Act

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was passed, and it was based, I believe, upon the fact that the circulation had not for a great many years fallen quite so low as 14,000,000*l.* (although at one time it had nearly approached it), and therefore it was considered to be a safe point up to which the economy of capital might be carried?—I believe so.

2690. If the general circulation has increased by more than 2,000,000*l.* since that time, and the same rule had now to be applied, would it not be equally safe to effect that economy of capital to the extent of 1,000,000*l.* or 2,000,000*l.* more, as the case might be; would there be any difference in principle from that which was adopted in fixing the limit by the Act of 1844?—I think that a reference to the experience of the last 10 years would be a very safe ground for considering the limitation of the credit issue. But I would remark, incidentally, that what I have just stated, with regard to the extended issue of the Bank of England in notes of 5*l.*, 10*l.*, and 20*l.*, has virtually carried out an extension of circulation of 2,000,000*l.*, because we have taken 2,000,000*l.* off the circulation of the highest denominations of notes, and we have added 2,000,000*l.* to the circulation of the smaller notes; so that the circulation of the country generally has practically been increased to the extent of 2,000,000*l.*

2691. Therefore, the same principle of safety and caution, which fixed 14,000,000*l.* as the limit in 1844, would justify a larger amount as the limit now?—No; I think not. What I have just said now was to the opposite effect. You have already got a real extension of 2,000,000*l.* If you divide the circulation into the higher denominations of notes and the lower, you will find that the circulation of notes of 5*l.*, 10*l.*, and 20*l.* has been increased by 2,000,000*l.*

2692. I am not now speaking of an extension of the circulation, I am speaking of the portion of that circulation which may be represented by securities, and which is the limit of the economy of capital effected; prior to 1844, the lowest amount to which the circulation had fallen was 14,500,000*l.*, therefore 14,000,000*l.* was at that time taken as the safe limit up to which the economy of capital might be carried; now, if it can be shown that that which was represented by 14,500,000*l.* prior to 1844, is now 16,000,000*l.* or 17,000,000*l.*, may not the same principle with equal caution and equal security be adopted with regard to that higher limit?—That reasoning would no doubt lead to that conclusion; but I must make my previous remark more plain. The disuse of 2,000,000*l.* of notes of the larger denominations, 1,000*l.* and 500*l.* notes, would have placed us, supposing the whole circulation of the country had been exposed to the same wants as before, under an obligation to lower the 14,000,000*l.* to 12.000,000*l.*, because 2,000,000*l.* of the 14,000,000*l.* contemplated in the Act had ceased to circulate; but, instead of cutting off those 2,000,000*l.*, because we had lost the circulation of so many 1,000*l.* notes, the original credit issue of 14,000,000*l.* has been retained, and is filled up by an extension of the 5*l.* and 10*l.* notes, which is equivalent to extending the 14,000,000*l.* to 16,000,000*l.*

2693. But if, notwithstanding that you have had a reduction to the amount of 2,000,000*l.* of the larger denomination of notes, yet, as a matter of fact, the entire circulation of notes at the lowest point which you have had during the last 10 years has been 16,000,000*l.*, and not 14,000,000*l.*, might you not safely extend the economy of capital to that limit upon the same principle upon which it was extended to the limit of 14,000,000*l.* before?—I think the period of experience and investigation is not sufficiently large to judge from, because the facts which I have mentioned have occurred in the last five years, and it requires a period of 10 years to measure their effect. If at the end of 10 years you find that it has not fallen below that limit, I think the question would be open for consideration; but at present I think it would be unsafe to go beyond the limit of 14,500,000*l.* for England and Wales. The only extension that I would suggest is one which has a bearing upon the issues of the private bankers which have merged into the circulation of the Bank of England. I think that the increase of circulation to supply their place is needlessly contracted to two-thirds of the lapsed amount.

2694. You admit the principle which has been suggested, but you think that the period of experience is not sufficiently large to enable us to judge with certainty whether the increase which has taken place is permanent?—I think the change which has taken place in the last five years in the proportions of the higher

higher and lower denominations of notes disables you from judging whether it would be safe to make an extension of issue at present.

2695. You have justly stated, in a former answer, that if we were to extend the limit from 14,000,000 *l.* to 16,000,000 *l.*, the effect would not be an increase of notes in the hands of the public, but it would be a diminution of the bullion in the reserve of the Bank; but there would nevertheless be an economy of capital, inasmuch as it would release 2,000,000 *l.* for the general active operations of trade, instead of keeping them as a reserve against the notes in circulation?—Quite so. The result of the change would be simply this, that the issue department of the Bank would hold 2,000,000 *l.* more of securities, and 2,000,000 *l.* less of bullion; that bullion would have gone to discharge the foreign obligations of this country; it would be so much economised to the country.

2696. Therefore it would be an additional economy of capital, just in the same way as the 14,000,000 *l.* is an economy of capital at present?—Just so.

2697. With respect to the lapsed circulation of the country banks, the present regulation is that from time to time the Bank of England may apply to the Government, and the Government has the power to empower the Bank of England to issue up to the extent of two-thirds of the lapsed circulation?—Yes.

2698. Is it not the case, that that lapsed circulation must be supplied from day to day, when the deficiency takes place, either by coin or by Bank of England notes, inasmuch as the country cannot do without a certain amount of currency?—No doubt of it.

2699. If this is done only once in five or six years, it must necessarily be inoperative, inasmuch as the vacuum has been already filled up from day to day as the vacuum was created?—It has been filled up.

2700. Was it the fact, when you had the power given you to issue that quantity of notes, that you found that power perfectly inoperative?—There was no actual issue of notes in consequence. The effect was, that it gave us permission to repay ourselves for the cost we had been at, because we had largely provided for those notes out of our own reserve, without having securities to issue them on.

2701. If the lapsed issue took place in a remote part of the country, where bank notes were not much in circulation, and where there were no other banks established, would not the withdrawal of that lapsed country circulation lead to an increased circulation of coin?—I should think there is hardly any portion of the country where Bank of England notes would not find their way, and I doubt whether people who have been used to country bank notes of 5 *l.* and 10 *l.* would be satisfied to use nothing but gold.

2702. Bank of England notes must of course have a medium to get into circulation, and it is generally the medium of the banks?—Banks are the general medium, but I do not know that they are necessary. Every tradesman in a small village acts as it were as a banker, and all the shops, and all the farmers in paying their wages do the same.

2703. Suppose that two banks existed in a remote country town, and that no limit existed upon their issues, and that either one of them were to fail, would not the natural effect be that the notes of the good bank would come to supply by their increase the place of the lapsed issues of the bank that had failed?—Yes.

2704. There would be more facility in doing that by a country bank in the locality than the Bank of England or any central bank in London would possess?—The existence of a bank under those circumstances implies a necessity for ordinary banking accommodation, and if that necessity does exist, a banker will certainly perform it. I do not think that the mere fact of a right of issue can determine the existence of a bank in any part of the country.

2705. If there were a central Government bank in London, which attempted to absorb the circulation of the whole country, would there not be much greater difficulty in that central bank in London satisfying the natural demands of remote country districts than is now felt by the local issues in those districts?—I do not think so. I do not find that the fact of their not being issuing banks prevents banks being established. As I mentioned before, the London and County Bank is a non-issuing bank, and it has branches in most parts of the country; in towns where you could hardly expect to find a competing bank,

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they have established branches where there are actually issuing bankers, and they maintain their ground.

2706. They establish branches in country places and receive deposits, upon which they allow a certain rate of interest; and those deposits they are able to use in London at a larger rate of interest, and thereby make a profit. Is not that the nature of their business?—Or the deposits which they receive in the country may be lent in the country.

2707. What would be the advantages, in your opinion, of a central bank of issue, absorbing the whole circulation of the country?—The advantage of a sole bank of issue is, that the whole currency is then of undoubted convertibility, and is uniform.

2708. Would not there be more risk of forgery in the case of notes which were circulated at a remote spot from the place of issue?—I am not aware that there would be more risk of forgery.

2709. Is not it generally considered, that one of the great checks upon forgery of country bank notes has been the frequency of their going back to the issuer, who is the best judge of their genuineness, thereby affording facility for detection?—Notes would circulate through the hands of individuals, and through the hands of bankers, quite as rapidly if they came from one sole source of issue as they now do coming through many. Each banker who received a note would, of course, examine it, and would be able to detect a forgery without its going to the exact source of issue in London.

2710. Would you contemplate that the country issuers in that case should issue notes of the central bank of some distinct character in each locality, so as to distinguish those notes as being their own issues?—Not at all. I think that there would be inconvenience in there being any difference in the appearance of the notes issued in the country.

2711. Do you think that a bank could carry on its business from the profits of issue alone, without any other business being attached to it?—I should think not. I observe that most banks have deposits considerably exceeding the amount of their issue, therefore I should imagine that the deposit business is by far the most important of the two.

2712. Taking bankers as a body, their issue business is very small compared with their business connected with deposits and advances of capital, is it not?—I think so; but I am not qualified to give a positive opinion upon that.

2713. Do you think that if a bank was established in London as a bank of issue only, not connected with ordinary banking business, for the purpose of supplying circulation for the country, it could be done with any profit?—Decidedly, with considerable profit.

2714. Notwithstanding the expense of maintaining establishments in the country for the purpose of managing the circulation?—I should not contemplate branches in the country for the circulation. I conceive that a central bank of issue would have nothing to do but to provide the notes, and that the public would find the means of circulation. I conceive that the Bank would have no more difficulty in sending out their notes than the Mint has now in sending out gold and silver, because there is no reason why bank notes should not circulate just as easily as gold and silver, inasmuch as they are more easily conveyed.

2715. You think that the local banks would be obliged to furnish themselves with notes for the purpose of conducting their trade?—I have no doubt of it. Bankers who had capital to lend would be sure to find a mode of lending it that would be most convenient to the borrower.

2716. What would be the process by which the central bank would get out notes; would it be in exchange for securities, or in exchange for bullion?—At present there is a bank note circulation permeating through every part of the country; it would be very easy to exchange some portion of the circulation for another circulation.

2717. In the case of the Bank of England it would be an exchange of securities against notes, would it not?—I am rather assuming that Bank of England notes would stay where they are.

2718. Supposing the Bank of England were the central issuer, the country bankers must supply themselves with Bank of England notes, by giving to the Bank

Bank of England securities which represented those notes; they must purchase them?—They must purchase them or borrow them.

2719. I understand you to say that a country banker requiring 100,000*l.* worth of Bank of England notes, would require to purchase those notes from the Bank of England, and he would do that either by discounting paper which he held in his hands with the Bank of England, or by selling securities and purchasing the notes of the Bank of England, or by obtaining an advance upon securities from the Bank of England. He would have to part with a certain amount of his existing assets for the purpose?—Just so; he would procure those notes as he procures notes now when he requires them, by business with the Bank.

2720. Therefore, in point of fact, it would be the same as if he were issuing his own notes upon securities which he deposited with the Government?—Yes, except that the notes which he issued would be the notes of the central bank of issue instead of his own.

2721. In either case then he must part with a portion of his assets in order to furnish himself with those notes?—Yes, he could only get the notes by giving value for them.

2722. With regard to the Scotch issues, the principles upon which they are at present regulated is that up to a fixed amount of notes they are entitled to issue without any security whatever, and whatever amount they require to issue above that they must issue upon bullion. I gather from your evidence that the amount of their notes now in the hands of the public is about 4,500,000*l.*, about 3,000,000*l.* of which is represented by that right of issue, and the other 1,500,000*l.* upon coin?—Yes.

2723. With respect to the 1,500,000*l.* of gold, upon which they issue 1,500,000*l.* of notes, is there any supposed lien upon that gold for the notes which it represents, as touching the holders of the notes?—I cannot venture to say that there is. I do not know in what way the holder of the note is to attach that gold. If the gold had been deposited in the Tower of London or even in the Bank of England, in a special Scotch vault, for the sake of the Scotch noteholder, it would have been more to the purpose.

2724. It would have prevented the expense of taking it backwards and forwards as well?—It need not travel in that case.

2725. Then does it not come to this, that whereas the Scotch banks appear to have deposits to the extent of 50,000,000*l.*, and a normal circulation to the extent of 3,000,000*l.*, making, with the additional circulation of 1,500,000*l.*, liabilities to the extent of 54,500,000*l.* altogether; this 1,500,000*l.* of gold which they hold is equally applicable to both those liabilities?—I cannot answer that question; I am not a Scotch banker, nor did I frame the Scotch Act. I do not know what the understanding or feeling may be on the part of Scotch bankers, with regard to that deposit of gold; they may look upon it in the same way that we look upon the bullion in the Bank of England, as a deposit legally and solidly answerable for the noteholders only. But I am not capable of giving an opinion upon that subject.

2726. Therefore if it be contemplated that the gold held by the Scotch and Irish banks should be regarded in the light of a security for the additional notes beyond the normal quantities that they are permitted by law to issue, the present arrangement is very ineffectual for that purpose?—I take it that the object would be rather limitation than security; but with reference to the question of limitation, which is the most important, particularly with regard to the Scotch and Irish banks, it is perfect if you assume (which however may be doubtful) that no portion of the coin upon which they issue would have been held against their deposits.

2727. Are you not of opinion that the demands of the public will place a natural limit upon the circulation of Scotch notes, in the same way that the demands of the public have placed a natural limit upon the circulation of English country banks and of the Bank of England?—Yes; but it is a question of issue upon security. £. 22,000,000 is the limit of the credit issues for England and Wales, but the issues on bullion are illimited. So 3,000,000*l.* is the limit of the credit issues for Scotland, but of course you do not say that the Scotch shall not use more than 3,000,000*l.* of notes, but you leave them to make any further issue upon bullion. I do not see that there is any particular object

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in making that specific regulation with regard to bullion. If the arrangement had been, as in England, that they should only have a certain amount of credit issue, and the Bank of England note had been made a legal tender in Scotland, the natural working would have been to issue Bank of England notes as supplementary to their own circulation.

2728. I understood you to say that the issue of Bank of England notes is unlimited; that all that is limited is the obligation to keep a sufficient reserve to secure their convertibility?—Not so; all that is limited is the amount of the credit issue.

2729. And the remainder represents the proportion of the reserve of bullion for securing convertibility?—That follows as a necessary consequence, that after the limited credit issue the remainder must be upon bullion.

2730. The object of the limit is to see that you never issue more notes beyond the limit than you have bullion to secure the convertibility of?—Precisely.

2731. Then as you say that there is no limit upon the amount of the issue of notes, but that there is a limit as to the amount which can be issued upon securities, does not the whole resolve itself into the quantity of bullion held by the Bank at any particular time; or supposing private bankers to regulate their affairs with equal prudence, does not the whole depend upon the reserve which they hold either of Bank of England notes or gold to meet their circulation?—The necessary consequence of the regulation is, that the bullion in the hands of the Bank represents all the notes issued in excess of the credit issue.

2732. If the issue were to-morrow required to be doubled, that might be done with perfect safety and security, if a corresponding amount of reserve, in the shape of bullion, were held to meet that increased issue?—If a double circulation were wanted, it would be obtained under the present law, by an increased amount of bullion being received into the Bank.

2733. I understood you to say that you do not admit any distinction between the quality of the different denominations of notes, so long as their convertibility is maintained by what you consider the proper rule, whether they be 1 *l.* notes, or 2 *l.* notes, or 5 *l.* notes, as to any effect upon prices, or any effect upon credit, except so far that you think the smaller notes rather less secure?—Just so.

2734. In point of principle they are entirely the same?—Entirely the same.

2735. Are you aware that the Bank of France not many years ago limited the amount of the denomination of their notes to 500 francs or 20 *l.*—Yes.

2736. Then about six or seven years ago they reduced their limit to 200 francs and 100 francs?—Yes.

2737. And that no inconvenience has arisen from that reduction that you are aware of?—None; I am not aware of any; I should not expect any.

2738. Nor if they put in operation the power which their new charter gives them of issuing notes of 50 francs would you expect, so long as convertibility is maintained by a sufficient reserve of bullion (which is their mode of keeping their account), any inconvenience from that step?—None whatever.

2739. You have stated, in answer to Question 2526, that under the Act of 1844 there might not be 1 *l.* in the Issue Department; that is to say, that if the issue in the hands of the Bank were reduced to 14,475,000 *l.* (which they are entitled to issue upon securities) under the Act of 1844 there might not be 1 *l.* of bullion left in the Issue Department?—Obviously my meaning there is, that there is no provision in the Act which compels any amount of bullion to be kept. I did not pretend to say that the thing was practicable in reality, but that there was no provision made by law for any specific amount of bullion.

2740. That is, if the circulation in the hands of the public were reduced to the limit they are entitled to issue upon securities, there might not be 1 *l.* of bullion in the Issue Department?—It is possible, legally, that the amount of notes might be reduced to precisely 14,475,000 *l.*, so that without any infraction of the Act there would not be a single sovereign kept in the Issue Department.

2741. But even supposing such an improbable state of things to occur, there would not be in the slightest degree the less obligation on the part of the Directors

Directors of the Bank of England, in point of discretion, to keep a proper reserve to secure the convertibility of the remaining 14,000,000 *l.* of notes?—It is difficult to reason upon an hypothesis which is so utterly beyond the bounds of possibility. I should say they are in any event bound to obey the Act.

2742. Am I to understand that you consider the meaning of the Bank Act to be that the permission to the Bank of England to issue 14,000,000 *l.* of notes upon securities absolves them from the responsibility of paying those notes in bullion, provided the circulation were to fall so as to require those notes to be converted?—I do not suppose that the provisions of the Bank Act, or the regulations by which the amount of credit issue is determined, can absolve the Governor and Company of the Bank of England from the positive fulfilment of the engagement which each bank note expresses.

2743. Therefore, notwithstanding the permission to issue upon securities, the Bank of England still holds itself liable to pay those notes if the state of things were such as to require that they should be converted?—No doubt; I conceive the Governor and Company of the Bank of England are liable for the due fulfilment of the engagement which the bank note conveys to the note-holder, over and above the legal provisions and stipulations of the Act itself.

2744. Therefore, supposing that various modes of economising currency were adopted to a much greater extent than at present, and that they had the effect of reducing the actual Bank circulation in the hands of the public to 14,000,000 *l.*, you would conceive that the Bank of England were still bound in discretion and prudence to keep that amount of bullion which would be necessary to secure the probable convertibility of the note, even though circulation did not exceed 14,000,000 *l.*?—This question leads me to refer to what I wrote on the currency 14 years ago, when supposing a scheme for the due regulation of the currency under a central bank of issue, I suggested a provision for retaining a sufficient proportion of bullion to the entire currency under the contingencies, on the one hand, of a diminished currency, arising from a lower range of prices, or the extension of banking expedients; and on the other, of an enlarged currency arising from an increased supply of the precious metals, and consequent elevation of the range of prices. And I think that no scheme intended to be a permanent one ought to be altogether devoid of some such provision as that. But as far as regards the Act itself, I may remark that there is a clause granting to the Governor and Company of the Bank of England the right (and therefore it is in fact a suggestion in the Act) to diminish the amount of issues and securities in case they see sufficient reason for doing so, and under the contingency alluded to, of an extension of banking expedients reducing the amount of external circulation, the Bank of England would no doubt reduce the amount of credit issue below 14,000,000 *l.*

2745. In point of fact, whatever the amount of the circulation may be, it is the duty of the Bank to keep a reserve of bullion sufficient to secure any probable demand for the payment of the notes?—No doubt.

2746. And if from any unforeseen cause the circulation of the Bank was to drop below 14,000,000 *l.*, it would still be incumbent upon the Bank to keep a sufficient reserve of bullion to maintain the convertibility of the note, even at that reduced rate of circulation?—No doubt it would.

2747. *Chairman.*] Will you have the goodness to refer to No. 19 of the papers before the Committee, at page 4. There is a column there representing the Bank of England circulation?—It does.

Vide Appendix, No. 15, p. 151.

2748. Will you look first at the year 1848; the circulation of that year is upon the average something between 18,000,000 *l.* and 19,000,000 *l.*?—Yes.

2749. In the following year it is a little higher, something about 19,000,000 *l.*?—Yes.

2750. In the year 1850 it seems to be an average of about 20,000,000 *l.*, and in 1851 it is about the same?—It is.

2751. In the year 1852 the average increases, and the numbers vary from 20,000,000 *l.* to 24,000,000 *l.*?—Yes, that is abont the range which they took.

2752. In 1853 the same range is maintained, from 20,000,000 *l.* to 24,000,000 *l.*?—Yes.

2753. But in the year 1854 the circulation begins to fall; it varies from 19,000,000 *l.* to 22,500,000 *l.*; in 1855 it comes down to an average of about

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20,000,000 *l.*, and in 1856 to a somewhat lower average, and the same in the few months of 1857?—Yes.

2754. Can you give any explanation why the circulation in the year 1852 and 1853 was higher than it was in the previous and in the subsequent years?—I imagine that during the period alluded to there may have been more than one cause operating upon the amount of the circulation. In the first place, the issues of some of the country banks had lapsed, and the Bank of England circulation had, to a certain extent, to fill up the vacancy they created. There may have been an increased range of prices; and there may have been, and I believe there certainly was, an increased activity of commercial operations throughout the country. As the population increased, and the ordinary commercial intercourse of the country was extended, there wasa larger circulation required for its wants. I think those may have been causes of the increase of the circulation from 1848 to 1852. Then in 1852 commenced those economising expedients which I have already noticed, and which operated to the extent of 2,000,000 *l.* by reducing the amount of the circulation of the larger denominations of notes.

2755. Mr. *Wilson.*] May not this also have been partly the cause. You have already observed in one part of your former evidence that when the rate of interest is extremely small, bankers and others economise their balances much less than they do when the rate of interest is very high. Now in 1852 and 1853 the Bank rate of discount was very low. May not that low rate of interest have led to less watchfulness and care on the part of the bankers who held Bank of England notes as a reserve, than they have exercised since when the rate of interest has been considerably higher?—I have very little doubt that was also a cause of the increase of circulation; and I should support that opinion by referring to the reserve in the Bank itself. The reserve in the Bank of England during the periods of 1849, 1850, and 1852 was considerably higher than in ordinary periods; and I therefore have no hesitation in adding to the causes of increased circulation at that time, the indifference generated by the low value of money on loan.

2756. *Chairman.*] The two years in which the circulation is highest are 1852 and 1853?—Yes, the increase appears to have gone on, I observe, up to that period; and then came the counteracting causes; then came the economising expedients which diminished the circulation of the higher denominations of notes; and then again came the increased value of money in consequence of the war, which forced people to economise the amount of their uninvested capital.

2757. Mr. *Wilson.*] It was just in those two years that the rate of interest was so low as 2 ½ and 2 ¼ per cent.?—It was.

2758. At that time there happened to be large importations of gold from Australia, and the persons who imported the gold, probably sold their gold to the Bank and held the notes, not having the same banking facilities which they have had since; it being a state of transition during the early importations of bullion?—Doubtless a great deal of the imported gold was represented by notes lying in the hands of the public, as appears in the reserve of the Bank of England.

2759. *Chairman.*] In your former day's evidence you made some statement with regard to the amount of the Bank discounts under a high and under a low rate of discount; are there any additional observations which you wish to make to the Committee upon the subject?—I made that statement from the evidence of a Table which I had before me, and which, with the permission of the Committee, I will beg to hand in, because it exhibits in a very remarkable manner how fallacious is the idea which has been popularly entertained, that the restriction of banking accommodation to the public by the Bank of England is consequent upon or concurrent with a rise in the rate of interest. The popular opinion assumes the very opposite of what actually occurs. It has been the increased demand upon the Bank for discounts, arising from the increased value of money, which has forced the Bank to make larger advances, at the same time that they raised the rate; and you will find that concurrently with the rise in the rate of discounts there appears always a considerable increase in the advances made to the commercial community, and that those advances decrease with a falling rate of discount.

2760. So that when the rate of discount is lowest the amount of the Bank advances is smallest?—Yes. I will just notice the first variation presented in the Table. In September 1844, when the rate of discount was only 2½ per cent., the discounts of the Bank were only 2,000,000 *l.*; on the 10th of April 1847, by which date the rate of discount had risen to 5 per cent., the total amount under discount was 11,000,000 *l.*, and from that point the advances on discount contracted or expanded as the rate of discount was lowered or raised. This paper I will hand in.

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[*The same was delivered in, and is as follows:*]

TABLE showing the Periods and Extent of Variation in the Rate of Discount at the Bank of *England* from 1844 to 1856, together with the Amount of Reserve and Amounts under Discount at the same Periods.

Date of Saturday after each Variation of the Rate.	Minimum Rate of Discount.	Reserve.	Amount under Discount.		Total Discounts.
			London.	Country.	
			£. *m.*	£. *m.*	
1844:—September - 7	2½	- - -	113	2·003	2·116
1845:—October - - 18	3	5·937	3·615	2·911	6·526
November - 8	3½	5·958	4·787	3·059	7·846
1846:—August - - 29	3	9·940	3·374	2·693	6·067
1847:—January - - 16	3½	7·269	5·103	2·521	7·624
January - - 23	4	6·844	5·111	2·630	7·741
April - - 10	5	3·464	6·850	4·470	11·320
August - - 7	5½	4·564	5·661	3·463	9·124
October - - 30	8	1·606	7·844	4·894	12·738
November - 27	7	5·563	5·725	4·758	10·483
December - 4	6	6·250	5·291	4·704	9·995
December - 24	5	8·414	4·340	4·201	8·541
1848:—January - - 29	4	8·248	3·182	3·470	6·652
June - - 17	3½	10·792	1·683	1·989	3·672
November - 4	3	8·853	1·245	2·025	3 270
1849:—November - 24	2½	12·381	752	1·556	2·308
1850:—December - 28	3	10·390	2·390	1·841	4·231
1852:—January - - 3	2½	12·273	1·632	1·991	3·623
April - - 24	2	11·989	1·116	1·722	2·838
1853:—January - - 8	2½	10·405	2·160	1·998	4·158
January - - 22	3	9·931	2·849	2·049	4·898
June - - 4	3½	8·830	3·362	2·341	5·703
September - 3	4	8·034	3·116	2·537	5·653
September - 17	4½	7·440	4·583	2·854	7·437
October - - 1	5	6·839	5·538	3·209	8·747
1854:—May - - 13	5½	5·445	4·245	2·855	7·100
August - - 5	5	6·997	2·866	2·742	5·608
1855:—April - - 7	4½	9·266	1·830	3·188	5·018
May - - 5	4	9·451	1·284	2·902	4·186
June - - 16	3½	12·525	1·050	2·564	3·614
September - 8	4	8·075	3·877	2·826	6·703
September - 15	4½	7·985	3·878	2·902	6·780
September - 29	5	6·766	4·859	3·427	8·286
October - - 6	5½	5·988	4·695	3·589	8·284
October - - 20	6 and 7	4·858	5·176	3·878	9·054
1856:—May - - 24	6	5·702	1·995	3·157	5·152
May - - 31	5	6·305	1·734	3·085	4·819
June - - 28	4½	8·034	1·257	2·979	4·236
October - - 4	5	4·333	4·923	3·624	8·547
October - - 11	6 and 7	4·072	5·107	3·648	8 755
November - 15	7	4·230	5·709	4·071	9 780
December - 6	6½	5·766	3·926	3·493	7·419

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2761. Mr. *Hankey.*] Mr. Mill, in his examination before this Committee, in answer to Question 2026, states this: "Those who framed the Act do not seem to have adverted to what may be called the double action of drains; they provided against drains just as if the drains had acted upon the issue department only; now every drain as a general rule operates on the deposits, therefore when the two departments are separated the drain comes first on the deposits; notes are drawn out of the deposits, and those notes are presented to the issue department to obtain bullion for exportation; now the consequence of this is, that supposing there is a drain of 3,000,000*l.* only, the effect on the bank previously to the Act would have been that of a drain of 3,000,000*l.*; but now when the two departments are separated, and neither of them can in the most extreme case help the other, the effect on the bank seems to be the same as if it were a drain of 6,000,000*l.*, because the deposits are diminished 3,000,000*l.*, and the issue department has parted with 3,000,000*l.* of gold from its reserve also." Do you agree in that opinion expressed by Mr. Mill?—No; Mr. Mill is obviously mistaken in supposing that a drain of 3,000,000*l.*, which implies a movement of 3,000,000*l.* from this country to another, can have the effect of taking away 6,000,000*l.* in any way from the bank; it is true that 3,000,000*l.* of bank notes may be given to the exporter of gold in the banking department, and he may then, by presenting the 3,000,000*l.* of notes in the issue department, take 3,000,000*l.* of gold; but then he has not got them both, he has only got the gold and he has not got the notes. It is just as if I were to give a man, in payment of a debt, a cheque, and he were to go to my banker to get it cashed, he obtains the money, but he parts with the cheque; I do not pay, nor does he receive more than the amount of his debt.

2762. You do not concur in the opinion expressed by Mr. Mill as to any double effect on the separate departments caused by the division of the accounts under the Act of 1844?—Decidedly not. The idea of a drain having a double action is a pure delusion. The separation of the Bank into two departments can aggravate the burthen of a foreign payment neither by affecting the mode nor the magnitude of the operation.

2763. You said that if the currency were entirely gold, no legislative Act could have the effect of enforcing a larger or a smaller amount being retained for use in this country, and that with the present mixed circulation the same result must follow; I apprehend that you did not mean by that to imply that the relative proportion of gold to paper may not be varied, but that the total amount could not be altered or varied by any legislative Act?—The total amount is what I referred to.

2764. You did not mean to say that the quantity of paper may not be increased, but that if the quantity of paper were increased a corresponding reduction would take place in the quantity of gold: and you are of opinion it is possible to increase the issues of paper in the country, though in that case we must submit to a corresponding diminution of the gold part of the circulation?—Yes, just so; if the paper circulation were increased, it would have the effect of driving the gold out: adding 2,000,000*l.* to the present 14,000,000*l.* of credit issue would have the effect of exporting 2,000,000*l.* of gold.

2765. With respect to the increase of the reserve; when the Bank desire to increase their reserve, amongst other courses they sell a certain amount of securities; do they take that step with any idea of diminishing the circulation of notes, or solely for the purpose of placing a larger amount of notes in their banking reserve?—Their object is, I apprehend, to strengthen the reserve.

2766. Their object has no particular reference to the amount of notes that they may have in issue at the time?—The banking department can take no cognizance of the notes which are circulating with the public. The management of the banking account is as thoroughly separate and distinct from any question relating to the notes circulating with the public, as would be the banking account of any bank in Lombard-street.

2767. Is it not practically the case, that in the management of the Bank of England, the Bank have no necessity under the present Act to pay any attention whatever, except an administrative attention, to the issue department?—I think they

they need not pay more attention to the issue department than would be paid by other bankers in very large business; but I think they should pay attention to the issue department, because that alone indicates distinctly the variations of the bullion; and upon the extent and causes of those variations, they must form their ideas of the probable claims upon the reserve, and their power of investment.

2768. Supposing the deposits of the Bank to be in a normal condition, and the Bank finds it desirable from any cause to increase its reserve, and it sells securities for that purpose, may not such addition of notes so brought back to the Bank, be expected to remain in the Bank reserve, unless the Bank were at that time discounting bills, or making loans at a lower rate than the rate at which money could be obtained elsewhere for similar purposes?—If by the sale of securities the Bank withdraws from general circulation an amount of Bank notes, which are required externally, those notes will be again taken out through the medium of deposits, or through the medium of discounts, and therefore the Bank in the event of a large demand upon its reserve, is ordinarily obliged to act through a double channel; it must not only sell securities, but it must also meet increased applications for advances by raising the rate of discount; that is to say, if the demand should become serious.

2769. But my question supposes that the deposit account is in its normal condition, and that the amounts of the deposit accounts are not unduly large; what reason is there to expect, under those circumstances, that the deposits would be withdrawn at a time when the Bank was selling securities?—If the deposits are not withdrawn upon the sale of securities, probably applications would be made for discounts.

2770. Then the sale of securities would tend directly to increase the reserve, till the Bank lent out the money on loan or discount?—There is no doubt that, in the event of a drain on the Bank, the sale of securities is one means which they must employ to strengthen their position; and it does not follow that, because the sale of securities did not produce an immediate addition to the reserve, the measure has been ineffective; for even if the notes brought in by the sale of securities are drawn out again by your depositors, still your liabilities are diminished, and in that case your position is so much stronger. All that a banker can expect to do by selling securities is to strengthen his position. He cannot control his deposits, they are held at the volition of the depositors; but he can maintain his relative strength, whatever his liabilities may be.

2771. It has been stated to the Committee by a former witness, that the Bank does not increase its reserve by the sale of securities; do you concur in that opinion?—It is difficult to say to what degree an increased reserve can be secured by the sale of securities. There is no doubt that the Bank would to some extent strengthen its reserve, but it is impossible to predicate to what degree.

2772. Do you consider that under the present arrangements, if the Bank continue at a time when money is increasing in value, to raise the rate of interest according to the current price, and if they sell their securities, they may in that way always preserve a sufficient reserve of notes for all banking purposes?—The Bank may always preserve a due proportion between its reserve and its liabilities by selling securities, if it concurrently raises the rate of discount in the event of additional advances being required.

2773. Then do you think that the present Act has in any way interfered with such operations of the Bank in its banking department as would enable it always to have an ample reserve for all its current purposes?—I do not think that the provisions of the Bank Act in any way impede the movement of the Bank when it has occasion to guard its reserve, or to maintain a due proportion between the reserve and the liabilities.

2774. Then you do not agree in the opinion which has been expressed, that the Act of 1844 has acted in any way prejudicially to the mercantile interest?—I am quite satisfied that it has not acted in any way prejudicially to the mercantile interest; I find that the injury which is supposed to have accrued is wholly unsupported by any evidence of facts. During the period I was myself Governor of the Bank the variations in the rate of interest were very large; they varied from two per cent. to five, and rapidly descended again; but I think,

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think, from recollection, that in one year the Bank discounted 25,000,000 *l.* sterling without incurring a single bad debt. Now that could hardly have been the case if the variation in the rate of discount had had an injurious effect upon commerce; it must have caused casualties which would have been felt by the Bank in common with other corporations.

2775. Mr. *Hildyard.*] Am I to infer from your last answer that there has been an unusual exemption from bad debts in the commerce of this country since the Act of 1844 came into operation?—I am not aware that since the Act came into operation any person has failed who had not incurred failure by imprudence or over-trading.

2776. I understood you to state that there has been an unusual exemption from bad debts on the part of the Bank of England; I wish to know, as a matter of fact, whether you think that has been the case with regard to the country generally during that period?—I believe that during the period to which I allude there has been a peculiar exemption from commercial casualties.

2777. Do you ascribe that to the Act of 1844?—I do not say that that is to be ascribed to the Act of 1844; the Act of 1844 did not profess to make traders wise and prudent. I am only endeavouring to exonerate the Act of 1844 from the charge of having been injurious to the commercial interests by causing variations in the rate of discount, by showing, firstly, that it is not the Bank who make the of interest vary; and secondly, that the variations of interest, though they may be unpalatable, are not injurious.

2778. I understood you to say that you never heard of country banks acting upon the admirable rule of so conducting their issues as to issue their own notes only where they would issue bullion?—I meant to say that I was not aware that so admirable a rule had been distinctly enunciated by them.

2779. Is it your opinion that they have not acted upon such a rule?—I have no doubt they act upon that rule now. I have great doubts whether they acted upon that rule to the same extent, or to anything like the same extent, previously to 1844, because their position then was different.

2780. Then am I to understand that previously to 1844 country bankers would make advances, and grant loans to persons on less perfect security than they would have accepted if they had made the advances on loans in bullion?—There existed at that time a temptation to do business, which I think often induced them to take indifferent security. The temptation was to get out their notes, and in acting upon that inducement, they were apt to overlook the nature of the security which they took, and they were apt also to make concessions in the rate of interest they received.

2781. Then I am to infer that it is your opinion, that before 1844, a banker, for the sake of getting out his notes, would take less perfect security, although he knew that those notes might return, and, in fact, did return very shortly upon him, leaving him with his imperfect security?—A banker, when he acted in the way I have assumed, always hoped that his notes would, more or less, stay out; and in proportion to the confidence with which he held that expectation would be the extent to which he would undertake business, more or less riskful.

2782. But the banker's hopes would be founded upon his practice and experience; could any banker hope that the profit that would result to him during the small length of time that he could expect his notes to remain out, would recompense him for taking an imperfect security?—The rapid return of his notes was an event which he did not wish for. The object, of course, was to keep his notes in circulation. I have described the circumstances under which alone a permanent circulation of his notes could be obtained. I think it was a result that could be attained with very great difficulty, and only under peculiar circumstances; but I think the natural tendency of bankers under the old Act was to endeavour to get their notes into circulation, hoping that they would be kept in circulation, and that for that purpose they are always disposed to take less perfect security than they would otherwise have done.

2783. You stated that one principal reason why the Bank of England could not issue notes in excess of the demand of the public was, that no one would charge himself with the interest of a sum for which he had no demand; would you make any distinction in that respect between the position of a person who

engaged

engaged to pay interest to a country banker for an advance of money, and the position of a man who engaged to pay interest to the Bank of England for an advance?—None whatever; no one would borrow money, either of the Bank of England or of a country banker, unless he required it.

2784. Is not the opinion of the person asking for the advance, that he can make a profitable application of the money, he having securities to offer to the person who makes the advance, the proper measure of determining what circulation is needed, and if not what other measure is there of the necessity of circulation?—The wants of the community will constitute the proper measure for the amount of the circulation, when none of those who supply the circulation have an inducement to lend at a different rate from that which prevails throughout the community at large; but since the Act of 1844, I conceive that that temptation can no longer exist, and that now the action of country banks must be wholly free from that vice which formerly attached to them.

2785. I understood you to state with regard to the right of issue that you did not consider that to be a very important advantage to a banker to possess?—I did not say that I did not think it an important privilege, but that I thought it a less important and a less profitable part of his business than his deposit business.

2786. Then how would you account for this fact, that it appears that the Scotch and Irish banks have over issued upon bullion to the extent of 1,500,000*l.*, upon which over issue as deposit bullion for it they can be making no profit; what is the reason for that over issue, unless the right of issue is found to be an important element in the management of a bank?—The reason why they have issued 1,500,000 *l.* upon gold, without therefore as regards that 1,500,000*l.* receiving any advantage in the circulation of the notes, has been because their other banking business opened to them the means of making advances, upon which they could obtain a profitable investment for their capital. In fact, it was to meet the requirements of the community with whom they dealt that that amount was issued.

2787. The convenience to them was so great that they did it, although they had to provide gold for the whole amount of the notes so circulated?—It was a convenience amounting to a necessity.

2788. A convenience and a necessity in the management of their banking operations?—Exactly.

2789. You said that you saw no objection to the principle adopted with respect to English banks being applied to the Scotch and Irish ones; are you aware that the principle which is applied to these English banks has had the effect of keeping them within their credit limit of circulation to an amount nearly as great as the other banks have exceeded it, from the fear of incurring the penalties imposed in case of an excess of issue?—Yes; I think that has been rather a hardship on the country banks. I think that the regulations should have been such as would have allowed them to issue to the full extent of their permitted limit, and that the mode of taking the average of which they complain should be remedied, if it can be conveniently done.

2790. Admitting it to be necessary that the Scotch and Irish banks should for the convenient conduct of their business be able to over issue upon bullion, why ought not English banks to have the same privilege of exceeding the credit circulation fixed by the Act of 1844 to any extent which is represented by bullion, as in the case of the Scotch and Irish banks?—The reason, I take it, is simply this, that every banker ought to maintain a certain amount of gold and silver against his circulation; he ought also to maintain a certain amount of reserve against his deposits. If a banker maintains a certain reserve against his deposits, and that reserve consists of gold and silver, and you give him the privilege of issuing notes against his gold and silver, you are simply adding to his privilege of issue.

2791. Why is a distinction to be made between Scotch and Irish bankers and English bankers in this respect?—I am not prepared to say that either of those arrangements is the best or the most convenient, nor to say which is the best; I think they are both open to some amendment; I am only taking each question by itself, and I say that to permit country banks in England to issue against their gold and silver, whatever it might be, would be simply giving them an additional right of issue beyond that which they now possess.

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2792. Would it not be enabling them to come up to what the Act of Parliament nominally sanctions, but which, by the mode in which the averages are taken, they are now deterred from approaching to the extent of 1,500,000*l.* out of their circulation of 6,000,000*l.*?—I can hardly say what extended right it would give them, because I do not know what amount of gold and silver they maintain now.

2793. Are you prepared to state any reason why the Scotch and Irish bankers should have that privilege, and why the English should not?—I think there is no reason why the English and Scotch banks should not be put upon precisely the same footing, whatever that footing may be.

2794. Do you see any reason why the English banks should not be put on the same footing as the Scotch and Irish are at present, by having the right of issuing beyond the fixed credit amount if they have bullion to the extent of the issue?—I am not sufficiently acquainted with the way in which the Act of 1844 operates in the management of Scotch banks; I do not know in what way they keep those very reserves with reference to which I was questioned by the Secretary to the Treasury; I do not know where the bullion deposit is kept; I do not know how far the bullion upon which they issue may not be the same bullion which they would naturally keep against their reserve; all these are considerations upon which I do not feel myself capable of pronouncing, and therefore I do not pretend to be able to answer the question with regard to putting English banks upon the same footing.

2795. Although you may feel unable to determine whether you would reduce the Scotch and Irish to the same position as the English, or raise the English to the same position as the Scotch and Irish, yet do you see any reason why a distinction should exist between them?—I have said before, that I see no reason why they should not both be put upon the same footing, whatever that footing be.

2796. I understand you to say, that you do not conceive that the Act of 1844 can in any way aggravate the effect of a drain for bullion?—I did say so.

2797. We know perfectly well, that, previously to the Act of 1844, the bullion in the Bank was constantly reduced, even to 2,000,000*l.* or 3,000,000*l.* of money; do you mean to represent that under the Act of 1844, the Bank could act or work if their reserve was reduced to anything like that amount?—Assuming this question to refer to the Issue Department, I hold that, under the present law, it is impossible for the bullion to be reduced to 2,000,000*l.* One great object of the Act is to prevent its being reduced to anything like 2,000,000*l.*

2798. In 1847, if the Government had not interposed, and the bankers of London had done what they threatened to do, to withdraw their deposits, would it not have been inevitable, either to stop the Bank, or to reduce the gold in the reserve below the point which the Act required?—There would have been no difficulty in carrying out the Act of 1844 in the autumn of 1847, if that application to Government had not been made.

2799. How would you have met the withdrawal of 2,000,000*l.* of money on the part of the depositors, on the Monday morning following the relaxation?—Imagine the best bank in the world, its continued action must depend upon the continuance of confidence. Imagine that confidence to be displaced by general distrust, and no banking institution can stand, however sound and however well guarded its measures may have been. It is quite true, that, supposing there had been a conspiracy of all the bankers in Lombard-street and the west end of town, the reserve of the Bank might have been withdrawn in a moment; of such a demand that would have been the result. But then you must look at the other side. The Bank would have required the bankers and merchants indebted to them to repay their loans, which amounted, not to 2,000,000*l.*, but to 13,000,000*l.* sterling; the result, therefore, of such summary dealing on both sides would have placed the Bank, not in a state of suspension, but in a state of very great abundance.

2800. But the Bank could not enforce the payment of its loans until those loans had become due?—No; but the amount due to the Bank in the course of the week would have more than covered the banking deposits that could have been withdrawn.

2801. Do you mean to say practically, that if the threat which the bankers made,

made, that if the Bank Act was not relaxed they would withdraw, for their own security, their deposits on the Monday morning, had been carried out, you could by any means have averted what is called a stoppage of the Bank, namely, an inability on the part of the Bank to work in accordance with the law as it then stood?—I mean this, that by the end of the week the whole of the money so drawn out would have been replaced by the discharge of the loans due to the Bank.

2802. But what would have happened on the Monday at 12 o'clock?—Supposing a suspension of all credit, or a conspiracy amongst all the depositors of a bank, there is no bank that would not be stopped; and if you apprehend risk from such a conspiracy as that, you had better not establish a bank at all, because it would be impossible to conduct a bank with any profit if you are to guard against a conspiracy of that nature.

2803. Mr. *Hankey.*] Did you ever hear of the threat being made by the London bankers which has been alluded to in Mr. Hildyard's question?—I never heard of such threat, nor have I supposed any credence to be given to its existence. I took it to be a mere hypothetical way of bringing the question to a test. The London bankers never could have attempted a measure so destructive to their own interest.

2804. Mr. *Spooner.*] I understood from you that you would approve of altering the Act of 1844, so far as to put the system of taking the averages in such a position as to enable a banker to keep out his notes to his full allowance under the Act?—It does not appear to me that the principle of the Act would in any degree be damaged by altering the system of average as regards the country bankers' returns, so as to give them the full latitude of the permitted issue.

2805. I understand you to say, that since the Act of 1844, the banks have carried on their business in such a way, that you see no necessity for requiring banks of issue to give security?—No; I should not venture to say so much as that, because the experience even of the last fortnight has shown that banks may fail now having issues. A bank failed, I believe, only a fortnight ago, which had an issue of 10,000 *l.*

2806. What proportion did that bear to the rest of its liabilities?—It bore a very small proportion to its liability upon deposits; I believe its deposits were nearly 100,000 *l.*

2807. Would the giving security for those notes have stopped the bank from failing?—No, giving security for those notes would not have stopped the Bank from failing; it would have put the Bank in the position of any ordinary non-issuing bank as far as regarded its other liabilities and risks; giving security can do no more than secure the noteholder.

2808. Do you conceive that the noteholder ought to have security when the depositors, forming so much larger a proportion of the creditors of the bank, should be left without security?—I do; I conceive that the noteholder ought to be exposed to no risk whatever; I conceive that the depositor must, in the nature of things, be exposed to risk, and he may fairly be left to take the risk upon himself, because the action under which he incurs that liability is one of his own free choice. The very circumstance to which you have adverted, of the greater magnitude of the deposits over the note circulation, brings at once to one's notice that the persons concerned in the deposits are people of larger property and greater intelligence, and therefore more fit to protect themselves in their operations with the bank than the noteholders.

2809. Do you think that the noteholder is not as voluntary a creditor as the depositor?—I believe the noteholder is an involuntary creditor of the bank practically in the ordinary circulation of country notes. Any person in the district through which they circulate takes, as a matter of habit and matter of necessity, a note presented to him, although he is often ignorant of the position of the bank, and he cannot very well make inquiries respecting it, supposing he has doubts, but the probability is, that doubts do not enter his mind, and he takes it upon general trust.

2810. Then if no doubt enters his mind he is a voluntary creditor?—He is voluntary inasmuch as this, that if he were to refuse to sell his commodities he might not have a necessity for taking the note; but a man can hardly in a

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provincial district refuse to sell except for Bank of England notes. You must take the notes circulating in the district if you sell at all.

2811. When he has got the note, do you not allow that where the circulation is a very limited one, he has the means of presenting that note the next day for payment?—But the very necessity of having to go to a country town to present the note would be to him an insuperable impediment; it would be exposing him to an additional labour, which in the matter of circulation of money ought not to exist. I hold that there ought to be no more risk of loss in holding a 5*l.* note than in holding five sovereigns.

2812. How would you propose security to be given for the issues of country banks?—I never ventured to propose that country bankers should give security. I conceive that it would be a very complicated and a very unpalatable process as far as they are concerned. I have ventured to suggest that the whole circulation should merge into one bank of issue, and that country bankers should be dealt with upon terms which would, I hope, under due consideration, give them satisfaction, and yet attain the great purpose of a single currency for the whole country.

2813. Then I am to understand that you do not recommend that country banks should be called upon to give security?—I have not recommended it.

2814. And you do not recommend it?—I do not recommend it, because I conceive it would be difficult to carry out, and very unpalatable to them.

2815. You recommend rather that the principle of one bank of issue should be adopted?—I do.

2816. Will you state how country bankers are to be supplied with bank notes from that one bank of issue?—Country bankers might be supplied with notes, either by giving Government securities or by mortgages, or by the transfer of such bills as they discount, in fact they might transfer to the central bank of issue any securities which they now hold against the notes which they had in circulation. I think that any measure of that kind ought to be made as easy in its action as it can very well be. It appears to me that there would be at once an obvious means by allowing country banks simply to transfer to the bank of issue the securities they themselves hold. Of course it must be with some qualification, because they might give securities which would be good for nothing.

2817. The real effect of that would be to transfer a very large part of that business which is now transacted between a country banker and his London agent to the central bank of issue; in fact the country bankers must keep their accounts with the central bank of issue instead of with their present agents?—The connexion with the central bank of issue would not require anything beyond the one single operation of providing themselves with the notes which they required. When that was done the notes would circulate as equably and as regularly through their hands, as the sovereigns do at the present moment.

2818. Have you any knowledge of country banking, or are you only speaking from your own theoretical opinions?—I am speaking very much upon a theoretical view of the subject.

2819. Supposing it were to please the Almighty to give us a very bad harvest this year, and there were consequently a great drain of bullion for the purchase of corn, in what way would the Bank act under those circumstances, considering its present financial position?—The Bank would act under those circumstances as it has acted ever since 1844; in proportion to the amount of demand made upon it for advances it would regulate the rate of interest. The rate of interest I consider to be the universal corrective of all monetary fluctuations.

2820. Do you think that a high rate of interest would prevent persons drawing out of the hands of the Bank the money they required to enable them to purchase corn?—I have not the slightest doubt that the rate of interest, properly adjusted, would be the means of preventing the bullion in the Bank falling so low as to make the remaining circulation of the country inconveniently or inadequately small for all its operations. I think the movements of the Bank in the last few years, and up to the present period, have fully justified me in saying that that measure, and that measure singly, is fully sufficient for the purpose I have described. I find that at the present time the money markets,

markets, in different parts of the Continent and in the United States of America, are upon such a position of parity with ours, that any additional stringency in our money market would determine towards those countries a considerable portion of the securities which we now hold, and for which we may have a demand at the present rate of discount; I find by the last accounts which have arrived from America, that money is as low now in New York as six per cent. upon call, which is itself an evidence of the abundance of money there, and the consequent readiness with which they would buy securities which we might have to part with in the event of our requiring large supplies of corn from the United States.

2821. You mean to say that the effect would be to force securities for sale somewhere on the Continent, and that the sale of those securities would furnish the means by which we should pay for the corn?—It would be one very important means by which we should purchase corn; we should buy it by cancelling obligations that foreigners have now, either commercially or politically, towards this country.

2822. Would not that operate to increase greatly the price of that corn?—Not at all; the price of the corn would be determined by the costs of importation, and the price of the securities would depend upon the necessary abatement, such as would eventuate in their transfer to our customers abroad.

2823. It would lead to a great sale of securities?—It would probably lead to a great sale of securities.

2824. Would not that have a tendency greatly to reduce the price of those securities?—No doubt it would.

2825. In point of fact you would have to sell more securities to raise the same amount of money that would be necessary to pay for the importations of corn?—Clearly; if you want to make a large sale, you must give a temptation to the buyer, but the amount of temptation that would be required in the sale of securities is much less than what would be required in the event of your offering any other commodity for sale.

2826. But in point of fact the corn would stand to the purchaser at a higher price than it would have stood at if the operation of the Bank had not taken place?—You have no other operation with which to compare it, because that is the single operation that would effect the object.

2827. But in point of fact your corn would cost you more than it would have done if you had sold the securities at the price which they cost you?—I do not know what they cost; they may have cost considerably less than you now sell them for; it depends upon the time at which you bought them.

2828. You get less money for your security, and just in proportion as you get less money for your security you give more money for your corn; is not that so?—That is not the way in which as a merchant I make my calculations; if I make a loss upon my securities I may still make a profit upon my corn.

2829. But still it would have that effect, would it not?—I cannot say that the price of the corn would be dearer, because I have been obliged to take less for my securities; in fact the sale of the securities is a subsequent operation altogether. The corn is bought first; the corn is drawn for, and it is when the drafts for the corn become matured that then the securities have to be sold, so that it is impossible to work the thing backwards.

2830. If you hold a certain amount of securities, and in order to pay for the corn you are obliged to sell those securities, and the selling those securities causes a fall in the price of those securities, are you not at the end of the transaction in a worse position than you would have been in if you had not been compelled to sell those securities, but could have paid for the corn without?—If the question refers to the country at large I admit it is so; but if it refers to the importer of the corn, I say it is not so, because there is no necessary identity between the importer of the corn and the holder of the securities; probably they are entirely different persons; the holder of the securities suffers in consequence of a rise in the rate of discount, which depresses the value of all interest bearing securities, and his among the rest.

2831. But as it affects the public, the public being the consumers, the corn comes into the consumers' hands at a higher price than it would otherwise have done if the securities had not been sold at a loss to pay for it?—If you take the country at large, I admit that there may have been a loss experienced in the depreciated value of the securities.

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2832. And that loss must fall upon the price of the corn?—No, it does not fall upon the price of the corn, because the corn is bought and paid for before the securities are sold.

2833. But the two things do stand in this relative position, that your securities have brought you less, and so much the less that you have got for your securities, so much more has the corn cost the public, because the man who imports it will of course take care that the consumer pays it?—I see no objection to its being considered upon the balance of the account as a loss chargeable upon the price of the corn.

2834. And this does not apply to corn merely, but whenever there is a drain of bullion the only way in which you can stop that drain of bullion is by making money dearer in this country?—That is the only way.

2835. What is the effect of that upon articles of manufacture exported?—Upon articles of manufacture exported, I am not aware of any effect.

2836. Does it not compel the holders of manufactured goods here to force their sales in other countries at a lower price than they would otherwise do if the money pressure was not so great upon them?—Not that I am aware of; I do not see why it should.

2837. If a manufacturer of goods has to meet certain engagements, and to meet those engagements he has to sell his goods, money being very dear, he must sell his goods at a lower price than he would do if money were cheaper?—There is no doubt that, if any person is holding a commodity which he wishes to realise at some time or other, the existence of a higher rate of interest at the time is an inducement to realise quickly, because the saving of interest by an immediate sale is so much larger; but there is no necessary connexion between a high rate of discount and the price at which those manufactured commodities would sell abroad, and therefore, again, no connexion between a high rate of discount and the price at which they should be bought here by the exporter.

2838. We have heard a good deal about the Bank of France giving a premium for gold: will you explain how you can give a premium in gold for gold?—The operation of the Bank of France is not easily comprehended, but I believe the solution of the mystery to be this: the Bank of France are anxious to show a large amount of bullion in their coffers, and they therefore offer a premium upon gold; but that premium is not upon all gold, it is upon bar gold; the consequence of their offering a premium of six per mille upon bar gold was that the demand was answered in the first instance by the simple process of melting down napoleons into bars, and taking the bars to the Mint for sale. The Bank found that their demand was so quickly answered, that it was not accomplishing their purpose. They said, "This is a French stamp upon the bar; it does not answer our purpose to be taking in bars made from our own napoleons; you must bring us foreign bars." Their wishes were then met by the transmission of napoleons from Paris to London, and their conversion into bars in London, and by the transmission of those bars to Paris with an English stamp upon them. But the next objection was, "The stamp upon these bars is very fresh; you must have taken our gold from Paris to make them with; we will not buy any bars of you that are not of considerable age; they must have the rust of time upon them;" and then their demand was answered by the transmission of more napoleons from Paris to London, and by the exchange of the new bars into which they were converted for old bars, at a very slight difference. The old bars were then taken to Paris, and the six per mille was still received by the diligent operator. That plan has been maintained ever since, and the only practical effect is this, that the Bank pay very largely for a temporary exhibition of so much more bullion.

2839. In point of fact, the plan does not answer?—It does not. No expedient which has so unnatural an intention as to propose to give a premium in gold for gold can possibly have any permanent or desirable result.

2840. Mr. *Hildyard*.] You stated that you would have the whole circulation of the country in the hands of the Bank of England; do you apply that as well to Scotland and Ireland; would you deprive all the country banks of the power of issuing their notes, and make them all dependent entirely upon the Bank of England?—The privilege which either the country or the Scotch and Irish banks now enjoy is one of a definite extent, and therefore capable of pecuniary appreciation; and it is entirely for the consideration of the Government or the Legislature

Legislature whether they should deal with these parties, and upon what terms they should deal with them, supposing a single bank of issue is thought desirable. My own impression is that a single bank of issue is very desirable for all England and Wales. My impression further is, that a single bank of issue is desirable for the whole United Kingdom; but I admit that the desirableness of extending it throughout England and Wales applies with minor force to Scotland and Ireland.

2841. Is not it rather that the opposition from Ireland and Scotland would be much more intense, and more likely to be respected?—That idea does not affect my opinion; because I began by surmising an arrangement that would remove any sense of hardship from either of those bodies in the way in which they might be dealt with by the Government or the Legislature.

2842. Mr. *Vance.*] You stated that, generally speaking, when the Bank rate was highest, the demand for discount was greatest; is that the case with the bill brokers in Lombard-street; that is to say, have they also the largest amount of business when the rate is high?—I imagine that the reason why the demands upon the Bank of England are so very large when the rate of discount is high, is because the Lombard-street bill brokers have ceased to afford the same amount of accommodation to their own customers; that it arises, in fact, from the withdrawal, in the first instance, of the money from the bill brokers by the bankers; so that the obligation of making commercial advances is thrown in a much larger degree upon the Bank of England.

2843. But is not the business of bill brokers in discounting quite as large when the rate of interest is low as when it is high?—I am not capable of giving an account of the business of bill brokers, as I am not behind the scenes; I can only judge as to what is the reason that operates in increasing the demands upon the Bank of England.

2844. Is not it the case that when the rate of discount is highest, the Bank is the cheapest place to go, and that when it is the lowest the bill brokers are the cheapest parties?—That will always be the case, because the Bank of England never goes quite so low as its competitors, and when the rate is highest it is never quite as high.

2845. There are two operations, making advances upon Government securities, and discounting the best bills. Are both these operations done at the same rate by the Bank of England?—Usually they are made at the same rate.

2846. It has only recently been the practice of the Bank to limit the date of its bills; it was not their practice before 1844, was it?—I can hardly say that such has ever been the practice of the Bank. The rule of the Bank, ever since I have been in it, has been to discount bills having not more than 95 days to run.

2847. But sometimes they refuse to discount bills having more than 60 days to run; and sometimes they put a larger rate upon the longer bills?—These have been isolated transactions, depending very much upon the discretion of the Governor for the time being.

2848. Has there ever occurred to you, as a way of protecting the reserve, that the rate of discount might be made self-acting according as the reserve of notes stands, and as the bullion may exist in the Bank?—The regulation of the rate of discount is to a considerable degree self-acting now, because it is the observation of the reserve and the knowledge of the market rate which determines the action of the Bank itself; the Bank never makes a rise which is not already made for it by these circumstances; it is either declared strongly by circumstances within its knowledge, or it already prevails in the money market.

2849. Do not you think it possible to make it mechanically self-acting by a legislative enactment?—I have attempted to construct a scale indicating the rate of interest, according to the rise and fall of bullion, having observed the precision with which, at certain times, each rise of one million in the bullion had been accompanied by a fall of one-half per cent. in the loanable value of money on bills; but the applicability of such a scale is destroyed by any event which varies the amount of Bank notes circulating from year to year in the hands of the public. A general advance of prices, engaging a larger amount of circulation, or on the other hand, a fall of prices, or the extension of banking expedients, releasing a portion of the metallic and paper money from its circulating

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function, might (and would during the last 10 years) have varied by no less than two millions the harmony of such a scale. Again, if the Bank reserve were taken as the test (the quicksilver, as it were, in the financial barometer), it would be found subject to even more disturbing influences; there are the periodical fluctuations of the reserve, consequent on the action of the revenue and the payment and the dividends, which few but those who have the administration of the Bank really understand; and there is a liability to occasional accessions of deposits, or to special advances, which disqualifies the reserve for the office of solitary test. For the public generally, the variations in the bullion from week to week supply reliable and sufficient information as to the varying amount and value of money. But the Bank, watching, of course, the movement of the bullion, is bound to act in conformity with the indications of the banking reserve, and that in connexion with all the special and qualifying circumstances which occur. My conclusion is, that while the facts which ought mainly to influence the action of the Bank are patent to all, it requires considerable experience and sound judgment to combine with the consideration of those facts, that of many exceptional and special circumstances by which they are accompanied.

2850. Mr. *Wilson.*] Would it not make a great difference at such a moment, if the bullion stood at a particular point, whether the drain was proceeding, or whether the drain had already turned the corner, and bullion was again flowing in?—It would make a great difference, because the Bank is bound to look not merely at the actual amount of bullion, but at the rate of the exchanges, and to observe whether they are such as to determine the efflux or influx of bullion here.

2851. To see whether the pressure is being aggravated from day to day, or whether it is being lessened from day to day?—Just so; in fact, whether the pressure for advances is diminishing or proceeding.

2852. Mr. *Spooner.*] If there was one bank of issue only, does it not occur to you that it would increase the risk of forgery very much?—I think not. I think that if there was but one bank of issue everybody's attention would be confined to one representative of the 5*l.* note; they would be familiar with it, and they would be sooner able to discover forgery than where there are several representatives of 5*l.* notes.

2853. But supposing a forgery is discovered in one part of the kingdom, the forger would only have to remove to some other part of the country as soon as he was suspected, and all his implements of forging would be as useful to him in that other part of the kingdom as they were in the former; now that is not so with a local issue. In that case, if any suspicion falls upon him, his whole apparatus is gone, because the issue of his note is necessarily confined to the locality where it is issued?—There is no doubt that as the field is larger the forger has more opportunities, but I think that gain to him is more than counterbalanced by the greater facility with which every person may detect a counterfeit when his attention is habitually directed to a single form of note for each denomination.

2854. But still the forger has the expense of forging the plate, and of providing the whole apparatus; and if he is suspected in a particular county, he goes out of that county, and all that apparatus is thrown away; but all that is not so if there is only one bank of issue; in that case the apparatus and expense is easily transferred from one county to another, and brought into play again; has that occurred to your mind?—I think that is perfectly true, that the more limited the circulation of any notes the less is the liability or the temptation to forgery.

Martis, 30° *die Junii*, 1857.

MEMBERS PRESENT.

Sir Francis Baring.	Mr. Hope Johnstone.
Mr. Blackburn.	Mr. J. L. Ricardo.
Mr. Cayley.	Mr. M. T. Smith.
Mr. Ennis.	Mr. Spooner.
Mr. Fergus.	The Chancellor of the Exchequer.
Earl of Gifford.	Mr. Tite.
Mr. G. A. Hamilton.	Mr. Weguelin.
Mr. Hankey.	Mr. Wilson.
Mr. Hildyard.	Sir Charles Wood.

THE RIGHT HON. THE CHANCELLOR OF THE EXCHEQUER, IN THE CHAIR.

George Warde Norman, Esq., called in; and Examined.

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2855. *Chairman.*] HOW many years have you been in the Bank direction?—I was elected in April 1821; I have been 36 years in the Bank direction.

2856. That is to say, with those intervals which the law makes necessary?—I have been occasionally out of the direction, according to the usual practice of the Bank.

2857. You gave evidence in the year 1840 before the Select Committee on Banks of Issue?—I was examined at considerable length before the Committee in 1840.

2858. That was the Committee whose inquiries in a great measure gave rise to the Act of 1844, I believe?—They preceded the Act of 1844; to what extent they gave rise to the Act of 1844 I am not able to say.

2859. In your evidence there was a suggestion of a plan, the general outline of which was similar to that embodied in the Act of 1844?—The views which I entertained when I gave my evidence in 1840, speaking generally, were carried out by the Act of 1844.

2860. Then perhaps I hardly need ask you whether, on the whole, you approve of the principles upon which that Act was founded?—Thoroughly.

2861. What do you conceive to be the main principles of that Act, confining yourself, in the first place, to the Act of 1844, without reference to the Scotch and Irish Acts in 1845?—I conceive that the important principle involved in the Act of 1844 was to make the Bank of England and country circulation fluctuate as a metallic circulation would do.

2862. What do you consider the principal means adopted by that Act for accomplishing that end?—The enactment that only a fixed amount of the circulation of the Bank should be issued on securities and the remainder on gold, and that the country issues should have a fixed limit.

2863. Is that, in your view, the main principle of the Act?—That, in my view, is the main provision of the Act.

2864. Perhaps it is hardly necessary to ask, upon what ground the limit of 14,000,000*l.* was taken?—I think that has been already explained to the Committee. I conceive it to have been this; the circulation with the public had, on a previous occasion, fallen to 15,500,000*l.* The Bank post bills were thrown out of the calculation, and it was assumed that the active circulation never could fall below 14,000,000*l.*, and therefore that would be the proper sum to fix as the amount which should be issued on securities.

2865. The Act of 1844 permitted that limit to be increased by adding two-thirds of the abandoned circulation of the country banks?—Yes.

2866. You are, of course, aware that an Order in Council has been issued permitting the Bank to issue about 450,000*l.* in addition upon securities, being two-thirds of the lapsed circulation of the country banks up to that period?—I am.

2867. It has been suggested to this Committee that it would be desirable, instead of taking two-thirds of the abandoned circulation of the country banks, to allow the Bank of England to issue to the full extent of those abandoned issues; what is your view upon that point?—I think it a very unimportant question one way or the other; but upon the whole, I should prefer to keep to two-thirds, as fixed by the Act.

2868. Is not the result of taking two-thirds that the credit circulation of the country is diminished by the other one-third?—Yes, I presume so.

2869. If the Bank of England were permitted to issue to the extent of the whole of those dropped issues, they might substitute so much country bank paper by so much Bank of England paper?—Probably.

2870. Under the present state of the law, the dropped issues would probably be substituted by two-thirds Bank of England paper and one-third sovereigns?—Probably; I do not think it is possible to say exactly what amount of Bank of England paper would replace a certain amount of private bank notes.

2871. It has been suggested that the present limit of 14,000,000*l.* of credit issue is too low, and that it would be advisable, in consequence of the change which has taken place since 1844, to raise that limit either to 15,000,000*l.* or 16,000,000*l.*; how does that question strike your mind?—I would rather that should not be done. We have seen the gold in the issue department at as low as 8,000,000*l.* or 9,000,000*l.* since 1844, and I think that is quite low enough.

2872. What would be the effect of making that change; would it be to increase the quantity of bank notes in the hands of the public?—Not at all; the effect would merely be to substitute securities for gold to that extent. Suppose we raised the limit from 14,500,000 *l.* to 16,500,000 *l.*, the effect would be that there would be 2,000,000 *l.* more notes in the issue department issued on securities, and 2,000.000 *l.* less in gold.

2873. The practical result would be ultimately to diminish the bullion reserve of the issue department by 2,000,000 *l.*?—Yes.

2874. Then, to that extent, provided the step was a safe one, it would economise the bullion in the Bank?—Yes.

2875. But it would not, in your view, at all increase the quantity of notes in the hands of the public?—Not at all.

2876. But with reference to the views of those persons who think that money is to be made, what they call cheap, by increasing the quantity of it in circulation, you do not think it would have any such effect?—I do not think it would have any effect at all in that way. I do not think it would at all increase the money of the country.

2877. You are doubtless aware that the bullion reserve of the Bank has been very large since 1844?—Yes, I am.

2878. And that, taking both the absolute quantities and the minimum quantities, it has been larger since 1844 than it was in an equal period, prior to 1844?—Yes.

2879. That is a fact about which there is no doubt?—I presume there is not.

2880. Do you account for that difference by the operation of the Act of 1844, or by other causes, such as, for instance, the increased production of the precious metals?—I think that the effect of the Act of 1844 has been to make the bullion reserve higher than it would have been otherwise. Under the Act of 1844, it was not, practically speaking, possible to reduce the bullion reserve as low as it had been reduced before the Act of 1844.

2881. Therefore the operation of the Act of 1844 was to make it necessary for the Bank direction to keep a larger reserve than had been kept prior to 1844, in certain years?—The effect of the Act of 1844 was to leave the issue without any control whatever on the part of the Bank Directors. All that they were called upon to do after the Act of 1844 was, to look to the banking department, to their own purely banking operations; and the result was, that the bullion in the

the issue department could not be well reduced so low as it had been on former occasions; and that on the whole the reserve of bullion in the issue department, since the Act of 1844, has been higher than the reserve of bullion was in the previous condition of the Bank, when the issue department and the banking department were, legally speaking, identical.

2882. But the result, according to your view, is that some portion, at all events, of the increased bullion reserves of the Bank since 1844 is due to the operation of the Act?—Yes.

2883. Can you assign any portion of that increase in the reserve to other causes?—A great accumulation of gold occurred when the first large importations of gold took place from Australia, and it may reasonably be supposed that something is owing to that circumstance.

2884. Would it necessarily follow, supposing the Act of 1844 to be out of the question, that any increased importations of bullion would lead to larger bullion reserves in the Bank?—I do not think necessarily so.

2885. Would that be a natural consequence?—I think it would depend upon the mode in which the Bank managed their banking business.

2886. Would that circumstance prevent the bullion being drawn out to a large amount at certain times?—A large import of gold, at certain times, would not prevent an equally large, or even larger, amount being drawn from the Bank at other times.

2887. It is an important question, how far the increased bullion reserves of the Bank since 1844 have been owing to the operation of the Act, and how far they have been owing to natural causes. There appears to be a considerable discrepancy of opinion upon the subject even among very competent judges?—I believe that the increased amount of bullion which has been held by the Bank since the Act of 1844 has to a considerable extent been owing to the effect of that Act. To what extent it may have been owing to the large importations of gold, I am not able to say.

2888. Another important feature of the Act of 1844 was the introduction of the separation of the issue and the banking departments. That was a new principle introduced by the Act, was it not?—Yes, it was.

2889. What do you conceive to have been the ground upon which that separation was established?—I conceive the ground to have been that the issue of paper money is a perfectly distinct operation from ordinary banking business, and that you cannot mix up together the issue of paper money and ordinary banking business without doing mischief.

2890. But still as the Corporation of the Bank is one, does there not seem *primâ facie* to be an objection to dividing their business by law into two portions?—I cannot perceive it.

2891. At all events, some strong reason should be shown for introducing such a separation?—I think there is the strongest reason shown for introducing the separation.

2892. That strong reason you think consists in the totally different nature of the function of issue, and that of the ordinary business of a banker?—Exactly so. I consider bank notes as money, and I think that you do mischief when you place the issue of money in the hands of persons who carry on ordinary banking business.

2893. Do you conceive that the issue of money is subject to different conditions, and is governed by different social laws from banking business?—I do; I consider that the issue of money should be regulated by the state, and that when the money is issued, then that bankers should be allowed to deal with it as they please.

2894. You doubtless hold that the principle of competition is applicable to the ordinary business of banking; that it is expedient and advantageous to the public that one bank should compete with another?—Quite so.

2895. Do you think that the principle of competition is applicable to the issue of paper money?—No, I do not. I think it cannot be introduced into the issue of paper money without doing mischief.

2896. On what grounds do you think that the application of the principle of competition to paper money would be attended with mischief?—It seems to me

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that all that is required in issuing paper money is the replacement of an equivalent amount of coin which would otherwise circulate in its place, and when that is accomplished you have done everything that can be required. Now, I think if this business is entrusted to bankers, that their operations being governed by the state of the money market and by the rate of interest, and by other causes, there must occasionally be a tendency to make their issues a little more or a little less than they would be if those issues were simply the replacement of a certain amount of coin.

2897. Is it your belief that without the operation of the principle of competition the public will always be supplied with a sufficient quantity of currency either in paper or coin?—I am thoroughly of that opinion.

2898. You think that the natural demand for currency will always lead to an adequate supply?—Quite so. It is conceivable that competing issues might be at all times exactly of the same amount as non-competing issues. But this, although possible, would be highly improbable; and if at any time they deviated from that exact amount, then I think mischief would occur; they could not be better, and they might be worse than a single issue.

2899. Supposing two banks with an unlimited power of issue, the bank note being assumed, of course, to be payable on demand, and each trying to get out as much paper as possible, do you believe that they would have a considerable power of enlarging their issues at will?—"Considerable" is an indefinite expression. Assuming the issues to be convertible, it is quite clear that they could only have a power of issuing to a certain extent beyond what would be the amount of a metallic currency; but I think they might issue rather more under certain circumstances than could be issued under a metallic currency, and keep out these issues for a certain time; the limiting circumstance is the action of the foreign exchanges. Before the effect of the foreign exchanges, which is the application of a metallic test, has brought the circulation down to the proper amount, I believe that they might issue and maintain in circulation an amount of notes larger than the gold or the coin which would otherwise supply their place.

2900. Do you assent to the doctrine that no person will keep in his possession either coin or bank notes beyond what his immediate necessities demand?—Of course he will not.

2901. It is so much capital kept in an unprofitable state?—Quite so.

2902. It may therefore be assumed that no person will retain a day longer than he needs money, in whatever form it may be?—Yes.

2903. Under these circumstances, supposing a private banker were to issue more than the wants of the circulation required, would it not be natural that his notes should return upon him very speedily?—I do not know exactly what is meant by notes "that the circulation may require." Of course a banker in good credit who is asked for a loan would have no difficulty in finding people ready to take a loan in his notes, irrespective of the state of the currency. I believe, upon the whole, that a banker or bankers would have it in their power for a certain time to maintain a larger amount of their paper in circulation than would exist of coin, provided there was no paper. The effect of this would be to raise prices and to maintain prices at a somewhat greater height, and for a longer period, than would occur, provided the currency was wholly metallic. Of course finally those issues would be brought to a metallic test. It must be recollected that as long as the notes were really convertible (which I assume to be the case), there could be no difference within the country between those notes and coin. But the effect of those issues would be to depreciate the coin as well as the notes; to depreciate the whole circulation of the country.

2904. How do you explain the depreciation of the entire currency of the country, when it is composed partly of paper and partly of gold, and when a gold standard is maintained and the paper is convertible into gold on demand?—In general understanding, the term "depreciation" has a meaning somewhat more marked and more important than the state of things to which I now allude. When I say that the whole currency is depreciated, I mean in comparison with that of foreign countries; probably the per-centage would not be large, but still it would be sufficient to affect prices and the exchanges.

2905. Is it your meaning that the value of gold would be depreciated as compared with the value of gold abroad?—Yes.

2906. Your

2906. Your belief is, that by excessive issues of paper, it is in the power of bankers not subject to legislative limitation to affect the price of gold in the country so as to make it lower than the price of gold abroad?—Yes, to a certain extent I think so. The whole currency is affected, and the gold as a portion of it.

2907. Will you mention any time when you conceive that state of things to have occurred?—I think I can show times and circumstances under which the paper currency of this and of other countries has increased in a way in which it was utterly impossible that a metallic currency could have increased.

2908. Are you speaking of a really convertible paper currency?—A really, or nominally, convertible paper currency; at any rate a legally convertible paper currency. I will first of all take the case of the country banks in 1824 and 1825. We have no means of knowing exactly what the increase of their circulation was at that time, but there can be no doubt it was very large indeed. Mr. Tooke estimates it at 8,000,000*l.*, and Mr. Huskisson and Lord Liverpool estimated it at 4,000,000*l.* Then I will take the case of the country banks between 1834 and 1837. In 1834 the issues of country private banks stood at 10,782,000*l.*, and in 1836 they stood at 12,406,000*l.* In neither of these instances could a metallic currency have so increased. Then I will take another case, the state of things in the United States before the great crash there. I believe that the paper circulation in the United States increased in a very short period above 50 per cent.

2909. In what year did that take place?—I do not recollect exactly, but it was about 1837. It was a very curious circumstance respecting the circulation in the United States, that the moment the banks stopped the notes fell to 10 per cent. discount. That was not in consequence of any general idea that the banks were not solvent; many of them afterwards turned out to be solvent; but it was because by their over-issuing they really had depreciated the whole currency of the United States, although till they stopped payment, people who imagined they could get coin for their notes by merely presenting them at the counter, accepted their notes as readily as they would have accepted coin.

2910. But if a note is legally convertible, and it appears to be depreciated, there is nothing to prevent a person from presenting it for payment, is there?—No; a convertible bank note must be of the same value in the country where it is issued as the coin in which it is payable. My notion is, that under certain circumstances the issuers of paper money have the power of putting forth their issues to such an extent as to depreciate the whole currency of the country where their issues are made, coin and notes together.

2911. It is not conceivable, then, that a convertible note should be depreciated in comparison with the gold into which it is convertible?—Certainly not, in the country itself.

2912. Therefore, the only way in which a mixed currency of gold and convertible paper can be depreciated is for the whole currency to be simultaneously depreciated?—Certainly, the whole currency.

2913. That state of things you believe took place in the United States?—I do.

2914. That the gold fell in price in consequence of an over-issue of paper, and that the prices of commodities, of course, in consequence, fell in value?—Yes; I believe that in the United States the issues of paper, in a very short time, increased 50 per cent.; and that all through the United States, until the crash came, people received the notes (they being convertible) as readily as they would have received coin. But I believe the effect of this over-issue, on the part of the banks, was to depreciate the whole currency of the United States; and that the moment the banks stopped, in many cases, I conceive, without any reference to their ultimate solvency, it was found that their notes fell to 10 per cent. discount.

2915. Are you acquainted with any of the details connected with that over-issue in the United States; do you know in what way it was effected?—No, I do not. The banks in the United States were all chartered banks. There were certain precautions used respecting them, and I believe that they all published their accounts.

2916. Was the discredit very extensive; were there numerous failures?—Very numerous; I think all the banks of whole districts stopped; but I am not acquainted with the particulars.

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2917. Do you know whether the failures were in consequence of over-issues of paper, or in consequence of their being unable to meet the demands of their depositors principally?—I think it must have been from inability to pay their notes. I am not well informed on the subject, but I do not think at that time that the banks of the United States held any very large amount of deposits.

2918. Supposing a district of country in which there is an ordinary mixed circulation of 100,000*l.*, composed partly of paper and partly of coin, and that in that district there are two banks competing for issue under a law which imposes no restraint upon them, and that by making advances on discount and in other ways, they increase this circulation by adding to their bank notes, so as to raise it to 110,000*l.*; in that case, unless the habits and wants of the district undergo an alteration, the circulation would be 10,000*l.* in excess, would it not?—Of course it would be 10,000*l.* more than it was before. I should think that under those circumstances prices would slightly rise and interest fall in the district; and in that way I should conceive (if I may use the expression) that the wants of the district would rise up to 110,000*l.*

2919. You do not think that the 10,000*l.* of extra notes which had been so issued, would speedily come back upon the Bank, but that they would be permanently brought into circulation for a time?—I believe that they might remain in circulation for a time. Surrounding districts would be acting upon this district, and thus afford a certain corrective. The increased issues would affect all payments, and receipts and mercantile transactions between that district and surrounding districts.

2920. Your view distinctly is that the mere convertibility of the note is not a sufficient security against over-issue, without some further legislative restraint? That is my firm opinion, and in that way I think the Act of 1844 has conferred a very great benefit on this country.

2921. Do you think that there is a difference between legislating for bank notes which are a legal tender, which are payable to bearer, and pass from hand to hand, and are in the nature of money, and legislating with reference to deposits in a bank?—It has never entered into my mind that there should be any legislative restriction applicable to deposits. I draw the broadest distinction between the issue of bank notes, which I consider money, and ordinary banking business. And while I think legislative restrictions are usefully applied to the issue of bank notes, I am of opinion that they would be altogether out of place if applied to what I consider really banking transactions. A bank has to deal with the money of the country which exists, but it has properly nothing to do with the issue of money.

2922. Supposing the argument were urged that, because it is admitted that the Legislature ought not to interfere with respect to deposits, or to impose any security in favour of depositors, therefore it ought not to interfere with respect to bank notes, would you consider that argument as valid?—I consider it thoroughly invalid. It seems to me that the depositors would know perfectly well the conditions upon which they make their deposits, and the noteholders the conditions upon which they receive the notes.

2923. But might it not be said in answer to that argument, that inasmuch as the noteholders know the conditions upon which they accept the note, they are not entitled to any protection from the Legislature?—That question rather opens the subject of the advisability of taking, or not taking, security for the issue of notes, with a view to the interest of the public at large, and not simply looking at the position of the noteholders. At any rate there is a great difference between the position of a depositor and the position of a noteholder. The noteholder cannot refuse to take the note. If I live in a district where the notes of certain country bankers circulate, I must take them, or I get nothing. How can a labourer, or artisan, or shopkeeper, refuse to take the notes that circulate in their district? Whereas the depositor is a thoroughly voluntary agent in what he does. He trusts the banker, and knowing the circumstances of the banker he places money in his hands. The conditions of the two parties are by no means identical.

2924. With regard to Bank of England notes, which are a legal tender, a person has no option as to refusing them?—He has no option.

2925. If they are tendered in discharge of an obligation, and he refuses them, then the debt is paid?—I believe so.

2926. But

2926. But with regard to country bank notes the case is different; a person may refuse them when they are tendered, and in that case the debt would not be discharged?—Certainly not.

2927. But still practically, in country districts, country notes do circulate from hand to hand, and no inquiry is made about the solvency of the banker?—That is the case.

2928. Therefore, within a narrow limit, a country bank note practically performs the functions of money?—Certainly.

2929. Is that the reason why, in your opinion, the Legislature is justified in drawing a distinction between making regulations affecting notes payable to bearer and making regulations affecting deposits?—I think the public good should over-ride all questions and distinctions of this kind. The real distinction between the condition of the noteholder and the condition of the depositor is sufficient to justify some difference in the legislative regulations applicable to each, independently of the distinction between notes and deposits, as respects the public at large.

2930. Those persons who hold that the wealth of a country can be increased by multiplying bank notes sometimes express the opinion that, if private bankers were at certain times permitted to issue inconvertible notes, the public would be benefited. Now, what would be the effect of enabling a private banker to issue inconvertible notes, which were made a legal tender; would he be able to induce any body to take them from him?—If they were a legal tender that settles the case, because all creditors must take them.

2931. Of course, if you confer upon a banker a power of issuing inconvertible notes, they being a legal tender, he can pay off all his existing creditors with them; but supposing his right were limited to the future, and not to apply to existing obligations, how would he stand with respect to all persons in future; would he be able to induce any person to accept his notes?—I cannot perceive that such notes could possess any value. They would be little more than waste paper.

2932. Would anybody accept such notes?—I should say not, excepting as a gift; but I can hardly conceive such a state of things.

2933. Is it not obvious that it is only in the power of a Government to issue and to keep in circulation inconvertible notes?—I will put an entirely supposititious case: That of a country where the Government issued no paper at all, and where bankers or others were allowed to issue paper; we can suppose under those circumstances that the necessity of having some currency or other might keep a certain quantity of inconvertible paper in circulation. The case however is barely conceivable. No addition is made to the wealth of a country by issuing paper, except in the way of convenience and economy of capital.

2934. Under such a state of things, persons might trust the honour of an individual; but, beyond that extent, is it not manifest that nobody would voluntarily take an inconvertible note, and that therefore such a privilege would be utterly nugatory?—Yes, I think it would; except under the extraordinary circumstances that I have supposed, in which there might be an absolute necessity for having some medium of exchange.

2935. Owing to the great convenience of paper currency, persons might be induced to trust the honour of individuals in particular cases; but can you conceive that inconvertible paper, being even a legal tender, should circulate when issued by private individuals?—I think when the unfortunate creditors had once been paid off, future creditors would be very shy of taking the notes.

2936. Supposing a person having that privilege were to offer to deal with any tradesman, would not that tradesman refuse to furnish him with goods until he was satisfied that he was to be paid in either convertible paper or coin, and not in this private inconvertible paper?—I should think so; but the case seems to me hardly conceivable.

2937. Does not the matter reduce itself to this, that the notion of an inconvertible paper circulating without the authority and compulsion of a Government, is a manifest absurdity and impossibility?—I can hardly imagine such a state of things as possible.

2938. With regard to the separation between the functions of issuing paper and banking, do you think it desirable that all the paper currency of the country should proceed from a single bank of issue, or that there should be, as at present,

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different banks of issue?—That question may be regarded in two points of view. It may be regarded as an abstract question; or it may be regarded practically, looking at the condition of this country at the present moment. Indubitably if we were starting fair I should say, have but one issue and allow no private issue whatever; but I am not prepared to say that, in the actual condition of the country, I think it at all necessary that there should be no other issue than that of the Bank of England, and that all private issues should be done away with. I do not apprehend that, practically speaking, so great a change is contemplated by anybody.

2939. Do not you think that the Act of 1844 contemplated the absorption of the issues of the English country bankers?—I have no doubt that Sir Robert Peel thought that desirable, and that he had it in his view.

2940. Do you not think that he and others who promoted the Act at the time, thought that the composition clause might not improbably, within 10 years, lead to an extinction of the entire country issues?—I have no doubt that Sir Robert Peel, and those who agreed with him, anticipated from that provision a greater effect than it actually has produced.

2941. Are there not some words in the Act which contemplate, as a possible contingency, the cessation of country bank issues before the expiration of 10 years?—I am not sufficiently conversant with the words of the Act to be able to give an opinion upon that point.

2942. Do you believe that the authors of the Act intended that it should remain unchanged at the end of 10 years, and that further progress towards uniformity of circulation should not be made?—I think it probable that Sir Robert Peel had such an idea in his mind.

2943. What is your own view at present; having the advantage of experience, and having seen what has actually taken place since 1844, do you think it desirable to make any change with regard to the issues of the country banks in England, or of the Irish and Scotch banks?—I think, speaking generally, they have worked far more satisfactorily since 1844 than they ever had done in any previous period during my recollection, or in any previous period that I have heard of; and considering the habits and feelings of the country, and the interests involved, I doubt whether it would be expedient to attempt, by any direct legislative action, to interfere further with private issues. I must add, however, this: that although the action of the private issues has been improved, still there have been failures among private issuers, even recently; therefore, they are not altogether in a perfectly satisfactory state.

2944. Do you attribute that improvement to the limit which has been imposed by law on their issues?—I do, mainly.

2945. Does it appear to you advisable, that the establishment of new banks, having a right of issue, should be prohibited?—Most certainly.

2946. You think it advisable that the country bankers' issues should be taken as a fixed quantity?—Yes, I do.

2947. Are there not parts of the country in which the paper circulation is almost entirely supplied by Bank of England notes?—Yes, there are.

2948. Are not those some of the principal manufacturing and commercial districts?—Yes; Lancashire wholly, and I should think, looking to the large circulation of our Newcastle branch, Northumberland and Durham to a considerable extent. In the county in which I reside, Kent, I very seldom meet with a country note.

2949. In Lancashire there is scarcely any country bank circulation?—I believe not.

2950. Do you believe that the trade of that very active part of the country has been in any way injured or restricted by the circumstance of their not having an issue of country bank notes?—I believe not at all.

2951. You do not believe that any inconvenience arises from that circumstance?—I think no inconvenience whatever.

2952. Would it be desirable, in your opinion, for the English country banks to be subject to the same law as the Scotch and Irish banks, and to have the power of issuing against bullion in excess of their fixed limit?—I should wish them to remain as they are; I do not wish to give them the power of issuing any more paper than they can now issue. This may not be a matter of great importance, but I think they have made an exceedingly good bargain, and had better hold by it.

2953. One of various plans for the improvement of the currency which has been proposed is, that the power of issue should be withdrawn from the Bank of England, and should be vested in a central bank dependent upon the Government, having simply the power of issue, and wholly unconcerned with banking. Is that a change which appears to you to be at all recommended by any reasons of expediency?—That would be little more than a nominal change, because as things are now, the business of issue is perfectly separate from the banking business of the Bank of England. The Bank department can only get notes by depositing gold, exactly as any other person would get notes by depositing gold. Looking at the prestige that belongs to the Bank of England, and the habits and feeling of the nation, I think it would be inexpedient to make any further change than has been made by the separation of the departments.

2954. As far as the interests of the public are concerned, irrespectively of the interests of the corporation itself, you see no advantage in any such change?—No; no further change.

2955. Is it your belief that the Government would be able to make any considerable profit by assuming the whole of the paper issues of the country into its own hands?—The whole paper issues of the country are a very large sum. I think if the Government were to assume the whole paper issues of the country, they might be so managed as to yield a considerable profit, but still I do not think that the business of issue alone is calculated to yield a very large profit if it is properly conducted.

2956. How do you think the Government would carry on the business of issue, assuming that it had no banking functions?—I must premise that I should consider it a very dangerous measure if the Government itself were to issue the paper. Whatever was the amount of the Government issue, it would be expedient that the paper should be issued by a body or corporation in some way or other distinct from the Government. If we look at the history of all Government issues, we shall find that they all have had but one termination, viz., insolvency. I am not prepared with any new scheme for a Government issue through the medium of a delegated body.

2957. Would it be necessary for them to maintain a system of branch banks?—I doubt that; I believe that with coin alone the action of the bankers and others would distribute that currency over the whole country in the way that was on the whole most convenient to the public.

2958. At present, all the gold coin is practically issued by the Bank of England?—I believe so.

2959. The Government coins the sovereigns, and the Bank distributes them; is not that the practical process?—Yes, generally; but the Government, I should think, must make payments in places where the Bank has no branch.

2960. But if the Government does not buy bullion it never has any sovereigns to pay, has it?—It may receive them in the produce of taxes.

2961. But then they all go into the Bank?—I cannot answer the question.

2962. At all events, your view is, that if the Government in the discharge of its various obligations were to issue paper, that paper would be disseminated all over the country without the action of the Bank, and without the establishment of branch banks?—That is quite my opinion.

2963. But on the whole, you would prefer that the issue should be made, as it is, a charge vested in the Bank of England, and not be transferred to the Government or to a Parliamentary bank?—Yes, I am quite of that opinion; it seems to me wise legislation which leaves good alone.

2964. As to the separation of the banking and the issue departments, it has been stated to this Committee, that the effect of the law which divides the bullion between the two departments, and which induces the Bank to keep the bulk of its bullion in the issue department, and only a small portion in the banking department, is productive of inconvenience, as causing great fluctuations in the rate of discount. Is that an opinion which seems to you to have any foundation?—Not in the least. The banking department of the Bank of England is exactly like any non-issuing bank, that of Coutts & Co., or Smith, Payne & Smith. It has a reserve of notes as they have, and it has a certain portion of coin for small payments as they have. There is no difference whatever between them.

2965. The reserve of notes being in fact the representative of so much bullion in the issue department?—I do not see that. It seems to me that the bullion in the issue department is no more applicable to the payment of notes in the banking

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banking department than it is to the payment of notes held by any other persons.

2966. Do you consider that Bank of England notes are a legal tender in the banking department?—I believe a legal opinion has been taken, and that the result of that opinion is, that they are a legal tender in the banking department.

2967. You think that the separation between the two departments is so complete as to take off the effect of the provision of the Act of 1833, which says that no Bank of England note shall be a legal tender when paid by the Governor and Company of the Bank of England?—So I believe.

2968. With regard to the variations in the rate of discount, they have been considerable of late years?—Yes, they have.

2969. More considerable than they had been at some previous times; is not that the fact?—I believe so.

2970. Do you believe that there is any connexion between the recent fluctuations in the rate of discount during the last two years, and the operation of the Act of 1844?—None whatever.

2971. You do not admit that there is any foundation for the opinions expressed by Mr. Tooke and others on that subject?—I am not sure that I am thoroughly well acquainted with all the opinions of Mr. Tooke upon that subject, but I am of opinion that the Bank of England has no considerable power of acting on the rate of interest. It seems to me that the rate of interest depends upon causes quite independent of the Bank of England or of any bank.

2972. Is it not the fact, that there is a market rate of discount at any one moment which the Bank of England has but a very limited power of influencing?—Quite so; I think that, except under certain partial and peculiar circumstances, the Bank of England has no power at all of influencing it.

2973. Would you say, from your experience as a Bank director, that the Bank considers its duty to be to look at the average rate of interest at the time being, with the view of guiding its operations; and that it does not consider that it has the power of making the rate of discount by its own discretion?—I have no idea that anybody in the Bank considers that the Bank has the power of fixing any rate of interest.

2974. You are doubtless aware that there is a popular opinion that the Bank of England fixes the rate of discount, and that other people follow that rate when the Bank of England has fixed it?—There may be some persons who hold that opinion, but I think they must be very few in number.

2975. At all events, you consider that opinion to be thoroughly unfounded?—Thoroughly unfounded.

2976. Comparing the rate of discount in England with the rates on the Continent, during the last few years, has there been any remarkable difference between them?—As far as I know, there has not been. The rate of interest all over Europe has been very high the last few years, and for reasons which seem to me to be perfectly obvious.

2977. What are those reasons?—There is, first of all, the enormous destruction of capital in the war; I presume one may roughly estimate that destruction at 300,000,000*l.* Then there has been a vast development of industry, extensive commerce carried on, and a vast number of speculative enterprises have been undertaken; people have been ready to borrow money at very high rates, and the new relations in which borrowers and lenders have been placed have naturally made the rate of interest very high.

2978. It has been suggested to the Committee that it would be expedient for the Directors of the Bank of England to observe a minimum rate of discount of 4 per cent.; that is to say, never to discount at a less rate than 4 per cent.; do you see anything in favour of that plan?—No, I do not. I consider that what is called the management of the Bank is the management of the banking department. I think that, in order to manage properly the banking department, we should go occasionally below 4 per cent. I do not however think that the Bank consults either its own interest or the public good by carrying on any very active competition with other money dealers.

2979. It has been stated that the power of the Bank to accommodate the public, and to assist trade in moments of difficulty, has been diminished by the operation of the Act of 1844; does that agree with your opinion?—I think not.

2980. Has

2980. Has any inconvenience arisen from the operation of the Act of 1844 during the war, to your knowledge?—Not to my knowledge. I think that the whole working of the circulation and the banking operations of the country, during the last four or five years, has been eminently successful and satisfactory.

2981. How much of that result do you attribute to the direct operation of the currency law, and how much to the increased knowledge on the subject which now exists?—I think that if it had not been for the operation of the Act of 1844, the country circulation, and probably the circulation of the Bank of England too, would have been kept rather higher than it actually has been, and as far as that was the case there would have been a deviation from the rule which would make paper issues identical in value with the coin which they represent, and so far mischief would have been done; but I think that it is not simply owing to the Act of 1844 that, on the whole, the trading operations of the country have been successfully carried on during the last few years. Good has doubtless arisen from the increased knowledge as to money matters now prevailing.

2982. Do you consider that the form in which the accounts of the Bank are now published, that is to say, divided into two heads, one the issue department, and the other the banking department, is a convenient and clear form?—Yes, I think so. I cannot imagine a better form of account.

2983. Do you think that too much information is given to the public, and that there would be any advantage in withholding part of it; does it, in your opinion, lead to erroneous inferences on the part of the public?—I have heard such a thing suggested, but I have no idea of any advantage in concealment.

2984. The only advantage of concealment might be, that it would guard against wrong inferences on the part of the public?—But ignorance might produce wrong inferences on the one side or the other.

2985. You think that ignorance might lead to unfounded suspicions, and lead people to apprehend that there was a worse state of things than really existed?—Certainly.

2986. Will you refer to Questions 849 and 868 of the evidence taken before this Committee; you will see there two forms of account that have been suggested as in some way preferable to the present mode of exhibiting the accounts; will you give the Committee your opinion on those suggestions?—I think they are both very inferior to the mode in which the account is now rendered; the present account shows the separate working of the issue and of the banking departments, and these accounts do not.

2987. Do you believe that the public generally understand the account in the manner in which it is now exhibited? Do you think they understand the nature of the notes in the banking department?—I think they do. The public are constantly getting better informed. We see that by the comments upon the state of the accounts which we read in the newspapers. These generally indicate a very sufficient knowledge of the real working of the system.

2988. Are not the notes in the banking department the measure of the issuing power of the Bank at any one moment?—I would not put it exactly in that way. The notes in the banking department of the Bank are those which constitute its banking powers, its power of loaning, and its power of paying depositors, exactly as the reserve of a private banker indicates his means of loaning, or meeting the claims of his depositors.

2989. But you can conceive the Bank selling securities and getting gold, and making advances in gold beyond their power of issuing paper, which is limited by law?—There is nothing that I know of to prevent the Bank selling securities and obtaining gold, and making its payments in gold, if it thinks fit.

2990. Therefore the true meaning of the note reserve in the banking department is not merely the banking power of the Bank, but it is the issuing power of the Bank; it is that portion of paper which it is in their power to issue beyond that which they have already issued?—I dislike to use the word "issue" in that sense. It seems to me that the payment of bank notes by the banking department of the Bank of England is exactly like the payment of bank notes by Messrs. Smith, Payne & Smith. The notes are issued already. The banking department deal with those notes precisely as a private banker would deal with his reserve; I see no difference whatever.

2991. But you must allow that there is a difference between notes in the hands of the public and notes in the till of the Bank?—There is the same difference

between notes in the hands of the public and notes in the till of the Bank, that there is between notes in the hands of the public and notes in the strong box of Messrs. Smith, Payne & Smith. There is no other difference.

2992. Is there not this difference, that notes in the till of Messrs. Smith, Payne & Smith can be brought at any moment to the Bank for payment, whereas their own notes can never be presented to themselves for payment?—They might both be presented for payment at the issue department if gold was wanted for them. The only difference would be, that in the one case you would have only 100 feet to walk, and in the other case 100 yards.

2993. You conceive the banking department of the Bank of England to be as distinct from the issue department as a private bank is distinct from the Bank of England?—I conceive that there is no difference between the two.

2994. Do you believe that a high rate of discount has the effect of diminishing the discounts of the Bank, and that a low rate of discount increases the discounts of the Bank, or the converse?—Generally speaking, the discounts of the Bank are high when the rate of discount is high, and low when the rate of discount is low.

2995. That is to say, the demand for discounts raises the rate of discount, and that demand operates upon the Bank of England, by bringing a great many bills to be discounted?—It raises the rate of interest out of doors, and to that rate the Bank is obliged to conform.

2996. On the other hand, when there is little demand for discounts, and the market rate of discount is low, comparatively few applications are made to the Bank?—That is so. At such a time, I do not think that the Bank is in a position to compete with the bankers and money dealers, who are wishing to employ their reserves. Our reserve then accumulates, and the demand upon us for discounts falls off very materially.

2997. But you feel no doubt of the fact, that in general the quantity of paper discounted by the Bank is greatest when the rate of discount is highest?—When the rate of discount is high, indubitably; I am not quite sure that it is greatest when the rate of discount is quite the highest; but when it is high the demand for discount upon us is great, and when it is low the demand upon us is small.

2998. Do you observe, that there is any close relation between the rate of discount, and the rate of interest upon Government securities, or upon mortgages?—I do not think there is much relation between the rate of interest yielded by Government securities, and the rate of interest upon discounts. You generally find, when the rate of discounts is very high, that Government securities fall a little. But we must recollect that the demand for Government securities is somewhat exceptional. The larger portion of holders of Government securities never sell. The quantity of Government securities in the market at any one time is limited. There are only certain persons who purchase or sell Government securities; the far greater amount of Government securities are in the hands of those who either never do or never can sell them. With regard to the rate of interest on mortgages, there is perhaps a nearer connexion; when the general rate of interest or discount is high, I believe it will be found that the rate of interest on mortgage rises, but it does not rise to anything like the same extent, because the persons who lend money on mortgage are a different class of persons altogether from the bankers and money dealers who discount bills, and although there is a closer connexion between the rate of interest on mortgages and the rate of interest in the money market than there is between the interest yielded by Government securities and the rate of interest in the money market, still the two things do not by any means exactly correspond.

2999. Although there may be some general relation between them, yet it is not the fact that the fluctuations in consols, for instance, follow the fluctuations in the rate of discount with any accuracy?—Certainly not. We must recollect, in looking at the price of consols, that purchasers often expect to make a profit by the sale of them, so that although the rate of interest in the money-market may be perhaps 40 per cent. more than that yielded by consols, yet there is still a motive to buy the stock.

3000. Do you think that there is any general belief that the Bank of England has the power of determining not only the rate of discount, but the rate of interest on Government securities and on mortgage?—The idea is so extremely absurd, that I cannot imagine that any considerable number of persons can possibly entertain it.

3001. But

3001. But still the language that is sometimes used would lead to that conclusion, would it not?—I have heard language which leads to something like that conclusion, but I do not think that opinion is entertained by any considerable number of persons.

3002. When they say that the Bank determines the rate of interest, what they really mean is, that it determines the rate of discount?—The real truth is, that the discount charged by the Bank is an indication of the real state of the money-market. I believe that the Bank almost always follows and never leads.

3003. My question refers not to the truth of the matter, but to what is believed by many persons?—There may be persons who think that the Bank has the power of fixing the rate of interest, but I should think there are very few.

3004. To whatever extent there may be people who hold that opinion, you entertain no doubt that the opinion is altogether erroneous?—Altogether erroneous.

3005. Mr. *M. T. Smith.*] You have stated that you are of opinion that the Act of 1844 has had no effect in causing more frequent changes in the rate of interest than used to take place before the Act of 1844?—I have not referred to the number of changes in the rate of discount made since the year 1844, and previously to the year 1844. I should imagine that there have been more frequent changes made since 1844, in consequence of the discretion of the Bank Directors in the management of their banking department.

3006. Before the year 1844 you had a power of unlimited issue of notes?—We had, subject to the check of convertibility.

3007. Have you not since 1844, in consequence of the stringency of the Act, been obliged to be much more particular with regard to the state of your till than you were before 1844; have not you been obliged to correct the state of your till by more frequent changes of interest?—I think we have been under the obligation of looking to our banking business more sharply than before.

3008. In a former part of your evidence, I understood you to state that you did not think that notes could be kept by country bankers supposing there was an over issue?—I think they have the power of issuing rather more than they could do provided the issues varied exactly like a metallic currency, and of keeping the issues out for a short time.

3009. Cannot over-issues be created on the part of country bankers by advancing money upon insufficient securities, as well as by advancing money upon a lower and more tempting rate of interest?—I should think so.

3010. In point of fact, are there not always borrowers upon such securities?—I suppose that a country bank, or anybody else who chooses to lend his money below the current rate of interest, or upon insufficient security, will always find many borrowers.

3011. In times of great abundance of money and consequent low rate of interest, will not the spirit of speculation increase that class of borrowers?—When the rate of interest is low and money is easily obtained, of course enterprising persons have a greater chance of obtaining the means of carrying on their enterprises than they have when the rate of interest is high.

3012. You think that a country banker has for a time the power of keeping out an over circulation of notes?—I have already stated that I think so.

3013. Mr. *Hildyard.*] I understood you to state, with reference to the credit circulation, or the circulation on securities, of 14,000,000 *l.*, fixed by the Act of 1844, that it was fixed upon this principle: that the State has nothing whatever to do with the conduct of the Bank of England, as far as it is simply a banking establishment as contradistinguished from a bank of issue, but that it ought to confine its control simply to the functions of the Bank as a bank of issue?—Yes, I conceive so.

3014. The Legislature finding at that time that the lowest point to which the active circulation had ever been reduced was 14,000,000*l.* (deducting the Bank post bills and the lost notes), and contemplating therefore that it never would fall below that point, provided that there should be bullion for every note issued beyond that amount, and, in doing so, they have taken sufficient security for convertibility?—That, I conceive, to be the case.

3015. And in that principle you, as approving of the Act of 1844, entirely concur?—Yes, I do.

3016. Then will you explain why, if subsequently to that period, it had turned out that the minimum active circulation has not been below 16,500,000*l.*, and if,

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according to the statement of the late Governor of the Bank, he does not contemplate that it will ever be reduced below that point, the State should not now be satisfied with the same security that it took before, and require simply that there shall be bullion for every note issued above 16,500,000*l.*?—If we look at our experience since the passing of the Act of 1844, we shall find that the minimum amount of bullion in the issue department has been about 8,500,000*l.*; and if, under such circumstances, the issues on securities had been 16,000,000*l.* instead of 14,000,000*l.*, the bullion would have been reduced by 2,000,000*l.*, I think that would have been a change for the worse. It seems to me that 8,000,000*l.* or 9,000,000*l.* of bullion is by no means too much as the minimum to be held by the issue department.

3017. But you are now speaking with regard to the position of the Bank as a banking establishment, contra-distinguished from the position of the Bank as a bank of issue?—No; I meant to regard the position of the Bank simply as a bank of issue. My position is this: we have found that, under the operation of the Act of 1844, the bullion of the Bank has diminished to about 8,500,000*l.* If, instead of issuing 14,000,000*l.* of notes, we had issued 16,000,000*l.* of notes on securities, the result would have been that, instead of having a minimum of bullion of 8,500,000*l.*, we should have had a minimum of 6,500,000*l.*, and I think that would have been a change for the worse.

3018. You are aware that the minimum active circulation of the Bank, since the Act of 1844, has not fallen below 16,500,000*l.*?—Yes.

3019. Do you contemplate the probability, having regard to the increased industrial transactions of this country, that the active circulation will fall below that point?—No, I do not think so.

3020. Then, assuming that you held bullion for every note above 16,500,000*l.*, have you not bullion to meet every note that is at all likely to be presented to you to be converted?—Yes, probably so; but it seems to me that the larger sum gives additional security, and is thus preferable to the smaller sum; and the proposed gain to the country, arising from the release of 2,000,000*l.* of gold, is, I think, unworthy of consideration.

3021. I am not discussing the principle upon which the Legislature acted in 1844; I have taken that from your own lips, and you have told me that you approve of it; that principle being to provide bullion for every note, which, judging from the minimum amount of active circulation of late years, can be presented to the Bank for conversion; is not that so?—That is correct.

3022. Then, adhering to that principle, and having regard to nothing else but the convertibility of the note, why have you not the same security now that you had before, if, when you find that the minimum circulation is 16,500,000*l.*, and you do not contemplate that it will fall below that, you make provision for every note issued above that amount?—I am not at all prepared to say that the Bank might not with sufficient safety issue notes upon securities to the extent of 16,000,000*l.*; but I do say, that I do not think that the advantage of throwing 2,000,000*l.* of gold into the general means of the country is a sufficient ground for making the change.

3023. I am not now saying that it might not be right for the Bank to hold bullion for every note under 16,500,000*l.*, but I am only asking whether, in making provision that they shall hold bullion for every note issued above that amount, you are not now taking the same security, having regard to the altered circumstances of the country, that you took in 1844?—Yes; I think that must be allowed.

3024. You have stated that the notes in the banking department are the measure of the power of the Bank; that is to say, of its means of meeting its deposits, making loans, &c. Now it is desirable, I imagine, that the Bank should be in a strong position; that its power of meeting its deposits and making loans should be a satisfactory one; is not that so?—Yes.

3025. Would not the effect of allowing the Bank to issue notes and securities to the extent of 16,500,000*l.* be to strengthen its position to that extent by giving it 2,000,000*l.* more than it has at present, thereby increasing its power to that extent, of meeting its deposits and making loans?—I think not. The effect would be simply, once for all, to enable the Bank to make the investments and to hand over 2,000,000*l.* more of securities to the issue department.

3026. Would it be compulsory upon the Bank to reduce its bullion lower than the point to which it is now compelled sometimes to reduce it, because it had

had the power of doing it under the Act?—I assume what would be done would be to place in the issue department 16,500,000*l.* instead of 14,500,000*l.* of securities. In order to do that, the Bank must either hand over securities which it now holds, in which case I conceive that the means in the banking department would for the moment be augmented, or it must purchase securities to that amount. But I think that after a very short time the position of the banking department of the Bank would be just what it is now.

3027. You do not conceive that it would be right and proper for the Bank to act otherwise than it does now, even if it had this power. Assuming that it had this power given to it, and that it did not act upon it, would not the effect be to strengthen its position and give it a greater margin, with a view to any emergency, for making loans and meeting its depositors?—No, I do not think it would.

3028. Have not you told me that the alteration would enable the Bank to issue notes to the extent of 2,000,000*l.* over the present issue?—No, it would not cause one note more to remain in circulation.

3029. But would it not leave for the banking department 2,000,000*l.* of notes more, thereby strengthening its position and increasing its power of meeting its depositors and making loans?—The effect of the purchase of securities to the extent of 2,000,000*l.* by the issue department, would be to throw for the moment that amount of notes into the money market. A portion of these notes would reach the reserve of the banking department, a portion the tills of other bankers.

3030. With regard to country banks, you say that you are not aware that in Lancashire any inconvenience has resulted from the whole of the note circulation being in Bank of England notes. You have branch establishments in Lancashire, have you not?—We have.

3031. Where?—At Manchester and Liverpool.

3032. You have found it expedient to withdraw branches which you had actually established from two other places, Norwich and Gloucester?—Norwich, Gloucester, and Exeter.

3033. That was, I imagine, because you did not find them pay?—Yes.

3034. Do you think that there is no difference between the withdrawal of country banks from a district where the transactions are such as to make it profitable to the Bank of England to have establishments, and thereby to facilitate the circulation of its notes, and the withdrawal of country banks from districts where you have not been able to make it profitable to do so?—Of course there is a great difference between one district and another, with regard to their respective means of making a Branch Bank of England profitable or not profitable.

3035. Although no inconvenience is felt in the district where the Bank of England finds it profitable to have two branches of its own, do you not conceive that inconvenience might result from the withdrawal of local country notes in districts where you do not find it profitable to have such establishments?—No, I think not, unless temporarily. I have no doubt that in Lancashire, where there are two branches of the Bank of England, considerable facility and convenience is found from them; but I conceive that if there was only one issue in the whole country, the operations of the bankers would be such that the public at large, and every portion of the country, would be sufficiently supplied with the circulating medium, whatever it might be.

3036. As you have stated, that you conceive that convenience has resulted to Lancashire from having two branch banks there, cannot you conceive that inconvenience in a greater or less degree would result from the withdrawal of the local notes from a district where it might not be profitable to establish branch banks of the Bank of England?—No doubt, at first, it would be so.

3037. You say that the country banks made a very good bargain. You included in country banks those in England as well as those of Scotland and Ireland?—I understood the question put to me to refer to the country banks of England, but my answer would be equally applicable to those of Scotland and Ireland.

3038. Would it not be much more applicable; was not the bargain a better bargain for the Scotch and Irish than for the English?—I know that the Scotch and Irish have the power of issuing upon gold, and that the English have not. The former may have made the best bargain.

3039. Do you know what the effect has been upon the circulation limited by

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the Act of the English banks by denying them that privilege?—I am told that they are unable to issue to the full extent of their fixed circulation.

3040. Is not it the fact that they are almost invariably found to be below it as much as 25 per cent.?—I thought that the proportion was as 7,000,000*l.* to 8,000,000*l.*

3041. Then, in order that the English banks may have the benefit of the fixed circulation which was conceded to them in 1844, do not you think that it would be just that they should have the same privilege as the Irish and Scotch banks, of issuing beyond the limit, provided they hold bullion to the extent to which they so issue?—As I said before, I think they made a very good bargain. I do not suggest or propose that the country issues should be interfered with, but as I have a strong opinion that we should go on better without any private issues at all, I do not think I should incline to recommend anything which increased their amount.

3042. With regard to the state of things in America between 1835 and 1837, you stated that you believed that at one period just previous to the crash, the paper circulation of the United States had increased as much as 50 per cent.?—I believe it did within a certain period previously.

3043. If I rightly understand you, that over-issue caused no difference between the value of paper and of gold in the United States, but it depreciated the whole circulation of gold and paper as compared with other countries?—Yes.

3044. Can you give the Committee any idea as to the extent to which the whole circulation was depreciated by that over-issue of 50 per cent.?—No, I cannot.

3045. If you are quite unable to say to what extent it was depreciated from that cause, on what ground do you say that it was depreciated at all?—Because the international transactions between the United States and other countries, I think, showed it. The moment the stoppage of the banks took place, there was at once a depreciation exhibited to the extent of 10 per cent.

3046. When you say that the transactions between America and other countries showed that depreciation, can you tell me what the exchange was at that period between this country and the United States?—No.

3047. Are you prepared to say that at that period bullion was passing from America to this country, and that bullion was not going from this country to America?—I adduced that fact, in order to show, that the issuers of bank notes had the power of increasing their issues to an extent to which a metallic currency never would be increased. As to the exact effect of that issue upon prices, and upon the exchanges as between America and other countries, I am unable to give any practical details.

3048. But I wish to test the accuracy of the opinion which you have given as to the effect of the over-issue; and in order to do that, I ask you how you prove that this over-issue of paper had depreciated the whole currency of the United States?—The effect it produced was to raise the prices of everything in the United States itself; that is the way in which that state of things always acts.

3049. But you are not prepared to say that it produced, what it must have produced, if your opinion is correct, an efflux of the precious metals from the United States?—I have no doubt of it; but I have not informed myself of the details.

3050. Mr. *Cayley.*] Do you really believe that prices are acted upon by an excess of issue?—I have no doubt of it. Take the case of a metallic currency; the prices of commodities in any country depend upon the amount of the metallic currency, other things being equal. If you increase the amount of metallic currency, other things being equal, prices rise. If you diminish the amount of metallic currency, other things being equal, prices fall. Now I consider that there is no difference between a mixed currency and a metallic currency, in that respect.

3051. Do you trace any connexion between prices in this country the last 10 years and the amount of the active circulation in the hands of the public?—I have not particularly considered that subject, but I should not draw any distinction, or if any, very little distinction, between the circulation in the hands of the public and the circulation in the hands of the Bank, or of other banks. It seems to me that whether coin or notes are in the reserve of the Bank, or in the pockets of individuals, makes very little difference.

3052. You

3052. You consider that paper is a matter of so much convenience to commerce, that it would force itself into circulation if there was only one bank of issue?—Yes, quite so.

3053. Supposing the Government were to be the issuer of 14,000,000 *l.* of notes, and those notes were a legal tender, what value would those notes bear in the market?—They would be at par. They would be exactly in the same state, I conceive, and of the same value as Bank of England notes are now.

3054. Supposing there were no other legal tender than that 14,000,000 *l.* of notes, would they still be at par?—£.14,000,000 would not be sufficient to carry on all the pecuniary transactions of the country. I presume that the question supposes that the remainder of the circulation is to be metallic, and if so, of course they would be at par.

3055. Supposing that 14,000,000 *l.* of Government issue was the only legal tender, would that paper still be at par?—I do not quite understand the question. You could not carry ont he transactions of the country with only 14,000,000 *l.* of notes.

3056. But supposing the country circulation were, as it is now, but resolvable into legal tender, and supposing the Bank of England were limited to 14,000,000 *l.* with legal tender, would the currency be of the same value as it is at present?—I conceive so; there would be a very large margin of coin under those circumstances.

3057. Do you believe, according to your former statement, that paper circulation is of such necessity to commerce, that it would carry value in consequence of its convenience?—I think that the real value of paper consists in its convertibility.

3058. Do you believe, that if there were no other legal tender than those 14,000,000*l.*, those 14,000,000*l.* would maintain their value in consequence of their convenience to commerce?—If I rightly understand the question, it is assuming the case that there should be inconvertible paper to the extent of 14,000,000*l.*, and that that inconvertible paper were made a legal tender, whether it would maintain its value. I think if it were made a legal tender, it would do so from the fact of its being limited.

3059. You think that the necessity of it for commercial transactions would constitute a value in that legal tender, provided there was a limited quantity?—Yes, I think so; I have not considered it thoroughly; but I can hardly conceive such a state of things.

3060. With regard to the calculation of 16,000,000 *l.*, you have been asked what will be the effect of an increase of 2,000,000 *l.* to the 14,000,000 *l.*; you have stated that the effect would be to strengthen the reserve?—The effect would be to add 2,000,000 *l.* of notes to the issue department. The issue department would hold 2,000,000 *l.* more of securities, and 2,000,000 *l.* less of gold.

3061. But the reserve of notes would be larger, provided the active circulation were not increased?—The amount of the reserve of notes depends to a certain extent upon the mode in which the Bank manages its banking department.

3062. When there are 14,000,000 *l.* issued upon securities, and 14,000,000 *l.* upon gold, the Bank has the power of issuing 28,000,000 *l.*?—Yes.

3063. If the Bank issued 16,000,000 *l.* upon securities, and there were 14,000,000*l.* of gold, the Bank would have the power of issuing 30,000,000*l.*?—The amount of reserve in the banking department of the Bank (to which I conceive the question applies), depends upon the mode in which the Bank employs its capital and its deposits. If it employs them very fully, the banking reserve is small; if it employs them sparingly, the banking reserve is large.

3064. But in the one case you have the power of issuing 30,000,000 *l.*, and in the other the power of issuing only 28,000,000 *l.*; supposing the active circulation of the Bank were not increased, the reserve of notes would be larger in the one case than in the other?—I understand the proposition to be, that we should take a larger amount of securities.

3065. £. 16,000,000 as compared with 14,000,000 *l.*?—Altogether in the issue department and in the banking department we should have the power of holding 2,000,000 *l.* more securities.

3066. Then, if the public did not require more notes upon the average than they do now, it would leave the reserve of the Bank 2,000,000 *l.* stronger than it

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it is now?—I do not see that; a part of the excess of notes might go to other bankers.

3067. Assuming that there are 14,000,000 *l.* issued upon securities, and 14,000,000 *l.* issued upon gold, there will be a total of probable circulation of 28,000,000 *l.*; if there were 16,000,000 *l.* issued upon securities and 14,000,000 *l.* upon gold, there would then be 30,000,000 *l.* of paper circulation instead of 28,000,000 *l.*?—You could not keep the additional 2,000,000 *l.* in circulation; there would be no reason why the circulation with the public should be any higher than it is now.

3068. Then if there was no more issued to the public, would not the reserve of the Bank be 2,000,000 *l.* stronger than it is now?—If that excess found its way into the banking reserves of the Bank of England (though I do not know any reason why it should find its way into the banking reserve of the Bank of England, any more than into the banking reserve of any other bank), so far the banking means of the Bank of England would be increased. I presume that, in fact, the effect would be to distribute the excess.

3069. Is not the public mind very much affected by the state of the reserve of the Bank of England?—I think so.

3070. Whatever tended to strengthen that reserve without diminishing the value of the note would be so far an advantage?—I do not think it would strengthen the reserve of the Bank appreciably.

3071. Not if no more notes went into circulation?—There would be 2,000,000 *l.* of gold released, and those 2,000,000 *l.* of gold might be exported, or it might be returned as deposits into the Bank of England, or into any other bank. I do not see why necessarily it should go to the Bank of England more than any other bank.

3072. Why would 2,000,000 *l.* of gold necessarily be released?—The country would require no more circulation; it has now all the circulation which it requires.

3073. You said that 2,000,000 *l.* of gold would necessarily be released; will you explain why?—I conceive that the amount of notes in the issue department would remain the same under the influence of the law which fixes the amount of money in this country, so as to place it in equilibrium with the currency of other countries; the difference would be, that there would be so much less gold and so many more securities.

3074. Why would that be so?—That is fixed by natural causes, over which the Bank of England has no control.

3075. Supposing there were at this moment 14,000,000 *l.* issued upon securities, and 14,000,000 *l.* issued upon gold, making 28,000,000 *l.*, and the law were altered so that the Bank should have the power of issuing 2,000,000 *l.* more upon securities, that would make 30,000,000 *l.*?—The result would be, that instead of there being 14,000,000 *l.* of gold and 14,000,000 *l.* of securities, there would be 12,000,000 *l.* of gold and 16,000,000 *l.* of securities.

3076. Supposing that you had 14,000,000 *l.* of gold in your vaults to-day, and that you issued 14,000,000 *l.* upon securities, making 28,000,000 *l.*, do you mean to say that if you issued 16,000,000 *l.* upon securities instead of 14,000,000 *l.* to-morrow, you would necessarily part with 2,000,000 *l.* out of your vaults?—That would be the result after a short time; as soon as the thing had worked round, you would find that we had 12,000,000 *l.* of gold and 16,000,000 of securities.

3077. You are now supposing that the active circulation would be increased, and that that would tend to the reduction of the bullion?—Supposing other things to remain unchanged, you would have just the same amount of notes you had before; the difference would simply be that you would have less gold and more securities.

3078. That is because you think that the Bank of England would so manage as to have about the same amount of reserve that it usually had?—I distinguish between the Bank of England as a bank of issue, and the Bank of England in its banking department. When they are mixed up together, the question becomes confused.

3079. Mr. *Hankey*.] Supposing the Bank were to be allowed to increase its issues on securities from 14,000,000 *l.* to 16,000,000 *l.*, and supposing that it bought 2,000,000 *l.* more of securities in consequence of that permission, would not the effect be that the Bank would have put out among the public 2,000,000 *l.* more of bank notes in the first instance?—Yes.

3080. And,

3080. And, unless you suppose that the public wanted more, the result would probably be that the whole circulation would be in excess to the extent of 2,000,000 *l.*?—Yes.

3081. Then the whole circulation being in excess, there would probably be an export of a part of that redundant circulation?—I should think so.

3082. Then as soon as that took place, matters would remain exactly in the same position as they were in before, with the only difference that there would be 2,000,000 *l.* less of gold, and 2,000,000 *l.* more of securities in the Bank of England?—That I believe would be the case.

3083. Then what was alluded to as the loanable power of the Bank would not be in any way increased by such an operation?—No, I think not; I do not see that it would.

3084. Mr. *Wilson.*] Would not the loanable power of the Bank be increased by issuing 2,000,000 *l.* more upon securities, and 2,000,000 *l.* less upon bullion?—Of course, in the first instance, it would.

3085. To the extent of that 2,000,000 *l.*, there would be so much more economy effected by the use of paper instead of bullion?—That would be its effect.

3086. That 2,000,000 *l.* would be absorbed into the active capital of the country yielding profit, instead of lying dormant, yielding no profit, in the reserve of the Bank of England, against so much paper?—Exactly.

3087. Though it might, in course of time, be exported, it could only be exported in exchange for commodities which would themselves possess the character of capital for the general purposes of trade?—Yes; that I think is so.

3088. And therefore it would, in fact, be 2,000,000 *l.* more added to the active capital of the country?—Yes.

3089. In the first instance, there would be an economy effected on the part of the Bank to the extent of 2,000,000 *l.* of reserve of gold?—In the issue department; I always like to distinguish between the banking department and the issue department. The general result would be, that 2,000,000 *l.* of gold would be released, and might be sent abroad to purchase commodities or to pay debts; instead of having 2,000,000 *l.* of gold, which is really valuable, you would have 2,000,000 *l.* of paper, which has a merely conventional value arising from its convertibility; that would be the economy.

3090. In the first instance, it would be the Bank of England that would be benefited by it, inasmuch as it would have the profit upon 16,000,000 *l.* of notes issued against securities, instead of 14,000,000 *l.* under the existing Act?—The issue department of the Bank would have so much more securities bearing interest instead of gold, which pays none.

3091. In point of fact it would be this: that the Bank of England, instead of keeping 2,000,000 *l.* of bullion in its reserve, say in the issue department, which yields no profit, would hold 2,000,000 *l.* of securities from which it would derive a dividend?—Precisely so.

3092. Always assuming that the same arrangement continued to exist between the Government and the Bank of England, which exists at the present time, as to the proportion of profit which the Government receives from the Bank as the supposed profit of issue?—The profit of the issue department would be increased, subject to any arrangements which might be made between the Government and the Bank.

3093. Of course, if the Government make it a condition that the allowance made by the Bank for the privilege of issue should be increased, in consequence of the issue being enlarged to 16,000,000 *l.* upon securities to that extent, the interest of the Bank would be affected, and the interest of the Government also would be affected?—Yes; I presume that, in such a state of things, the Government would probably take the profit; that would be matter of arrangement.

3094. But in one way or other there would be a saving to that extent?—Certainly.

3095. You have stated, that in your estimation the main effect of the Act of 1844 has been to make Bank of England notes vary as a metallic circulation would vary?—Yes.

3096. Will you inform the Committee what you understood by the term "circulation of notes prior to the passing of the Act of 1844," in your evidence in the year 1840?—I have not read my evidence of 1840 for a long time, but I

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know what was my idea of what constituted the circulation or money of the country at that time. I thought it was all the coin, all the Bank of England notes, and all the country notes, and a certain sum which was to form the reserve of notes in the banking department of the Bank of England. At that time I had made up my mind that a certain reserve of notes in the banking department of the Bank of England was a necessary part of the money circulation of the country.

3097. At that time, Bank of England notes could not be said to be a legal tender in either department of the Bank of England?—I believe not.

3098. The only ground upon which you think there is now a difference in that respect, is the separation of the departments by the Bank Act of 1844?—Yes.

3099. Was it not the case, that prior to the passing of the Act of 1844, the accounts of the Bank were actually kept as they are kept now at the Bank?—I know that before that time, for the private information of the Bank Directors, there were accounts kept exhibiting the working of the Bank, upon the supposition that the departments were divided.

3100. So that in point of fact, the accounts of the Bank were for some years before the passing of the Act of 1844, kept in the same form in which they are published now?—There was an account drawn out for the information of the Directors upon the principle of a division of the departments as it now exists.

3101. The accounts were not published in that form, but for the private convenience of the Bank Directors they had a form of account which represented the substantial condition of the Bank in the same form in which the accounts are given now?—Yes, it was so.

3102. Is there anything in the Bank Act of 1844, which essentially changes the character and position of the assets and liabilities of the Bank, as compared with the position in which they stood before the Bank Act of 1844?—The Act of 1844 places a certain portion of securities in the issue department and leaves us to deal with the other as we think fit.

3103. Do you conceive that the Act of 1844 gives a special lien upon those securities and upon the bullion to the holders of notes as against all other creditors of the Bank?—That is a legal question which I am not able positively to answer, but I believe it does.

3104. You are not aware that a high legal opinion has been given to the contrary?—No.

3105. If there had been an entire separation, as you suggested in your evidence of 1840, and a separate issue department established irrespective of the Bank of England, then there would have been a separate and distinct security against the notes of that issue establishment?—I presume so.

3106. Are you not aware that in the evidence given in 1840, and in the publications of those days by Mr. Jones Loyd (now Lord Overstone), and others, it was contended that there was an incompatibility between a bank of issue and a bank of deposit, inasmuch as the depositor and the holder of the notes has the same claim upon the assets of the Bank, both being payable on demand, and that therefore the principle of division which you advocated was one which could not be carried out?—I am not sure that that was the precise ground taken. I believe it was contended by Lord Overstone and others, that the business of issue was quite distinct in its character from other banking business.

3107. But admitting it to be distinct in its character, as long as the Bank is liable to pay both its depositors and its noteholders, and no special lien is given or set aside for the demands of the noteholders, is it not the case that the demands of the depositors may interfere with the working of the principle for which you contend as that which ought to govern the business of issue?—I think that the business of ordinary banking may interfere with the issues of an issuing bank.

3108. And it was upon that ground that the division was advocated?—I can only repeat that I think the propriety of making the division was advocated upon the supposition that it was desirable to disunite the business of issue from ordinary banking business.

3109. You have stated that the business of issue and ordinary banking are totally different in their nature. Do not both constitute obligations on the part of the banker equally payable on demand?—They do; but you will observe that the very foundation of deposit banking is that the banker can always reckon upon a certain minimum of deposits. If a banker were to be exposed to have the

the whole of his deposits drawn out, he could derive no profit from his business; his deposit bank would come to an end.

3110. Is not the business of issue regulated also upon the certainty almost, that as long as there is no discredit there will be a certain amount of notes in circulation?—I suppose so.

3111. As in the case of deposits if the circulation were at an end, if all his notes were sent in for payment, there would be no profit derived from circulation?—Certainly.

3112. Therefore, in those two respects deposits and circulation in the business of a banker would be precisely the same?—Yes; I do not see any difference.

3113. You have stated that in your opinion notes constitute money, and that therefore notes ought to be considered identical with coin?—Yes. Within the country it seems to me that notes produce exactly the same effect as coin. They will not do for foreign payments.

3114. So long as they are convertible?—So long as they are convertible.

3115. You have expressed an opinion that because notes may be regarded as money, therefore there ought not to be any competition as to the issue of notes, but that there may be any extent of competition in the management of deposit banks which do not issue money?—I think that with a view to the public good, the issue of notes should be placed upon a purely metallic basis; that the notes should vary as a metallic currency would vary, and that a law should be enacted having that object. I am also of opinion that the business of a non-issuing bank, or the business which an issuing bank carries on irrespectively of its issues, should be left entirely free.

3116. Will you have the goodness to explain to the Committee in what way you conceive that a currency of paper and gold could fluctuate differently from a metallic currency, so long as the perfect convertibility of the note is maintained?—I conceive that for a certain time and under certain circumstances a mixed currency may be maintained to a greater amount than a metallic currency could be maintained, and I mentioned to the Committee that there were periods when I conceive that state of things really existed.

3117. You have stated, that you agree in the opinion that no person would keep notes that he did not require any more than he would keep gold that he did not require?—Undoubtedly.

3118. A person could no more get notes without giving the full value for them than he could get coin without giving the full value for it?—No.

3119. Therefore the same motives that would induce a person to economise coin would equally induce him to economise notes?—Quite so.

3120. Can you conceive, therefore, any state of things which would induce persons to retain notes which would not induce them to retain coin?—No.

3121. Then notes and coin are in every respect identical as far as the user of these notes and coin is influenced by the circumstances of one or the other?—I conceive so.

3122. You have stated, that if the Bank of England had the power to-day to issue 2,000,000*l.* more upon securities, that would not increase the amount in the hands of the public by a single note?—Ultimately not.

3123. Supposing the Bank of England wished to avail itself of that privilege, it would have no power to do so, because it would have no power to get out its notes beyond the requirements of the public?—With the present division of the accounts it would not.

3124. But the division of the accounts has nothing to do with the dealings of the Bank with its customers in the banking department?—At present nothing.

3125. But if the Bank issue more notes to the public it would be from the banking department?—No; if the public wanted notes they would bring their gold and take the notes out in that way.

3126. But if the Bank, through the medium of its discounts or loans, issued more notes to the public it would be from the banking department?—Yes, certainly.

3127. But you say, that the Bank has not the power to issue more notes, because the public do not require those notes?—If the Bank at present chose to lend money to persons at 4 per cent., or even 5 per cent., an indefinite amount of notes might be issued. The effect would be to act upon prices and interests, and to cause an export of the precious metals from this country.

3128. It does not necessarily follow if the Bank of England increases its

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advances to the public, either in the way of discounts or in the way of loans, that it adds to the circulation of notes in the hands of the public?—No, it does not necessarily follow. That depends upon the condition of the banking department. The repayment may be greater than the loans or less than the loans.

3129. If the Bank were to reduce its rate of interest below the market rate, the effect would be that there would be a greater demand upon the Bank for advances, in the shape of loans or discounts?—Certainly.

3130. But that increased demand would not necessarily increase the quantity of notes kept out in the hands of the public?—I think, temporarily, it would. Of course, the permanent amount in the hands of the public would be measured, ultimately, by the metallic test, and after a time things would return to their normal state.

3131. You are aware that during the last three years, when there has been a great fluctuation in the amount of securities and advances made by the Bank at different times, there has been no corresponding fluctuation in the amount of notes held by the public?—I have not specially examined the amount of notes held by the public; my attention has been more closely directed to the banking reserve.

3132. To return again to the identity between a mixed currency and a purely metallic currency; you stated that there ought to be no competition upon the issue of notes because they are money, and money ought to be issued only by the Government?—I think there ought to be no competition in the issue of notes, because the best thing that could possibly happen from the result of competition in the issue of notes is, that you would have a currency as good as you would have with a single issuer; I am sure that you could not have a better, and you probably would have a worse. My idea of the perfection of a paper currency is this: that it should be always convertible and not liable to discredit, and of the same amount as the metallic currency which it might replace.

3133. Would not there be, in the event of a purely metallic currency, as great competition for the issue of coin as there is in a mixed currency for the issue of paper?—I do not see that there would be any competition at all for the issue of coin.

3134. You are aware that the State does not issue coin?—It pays it away.

3135. It pays it away in its own payments for public purposes, but the State does not issue coin?—It is a question as to the meaning of the word "issue." I presume, that persons who import gold or silver take it to the mints of the respective countries, have it coined, and receive it back; that is a form of issue.

3136. Coin is supplied to bankers by sending gold to the Mint, and having it converted into gold for them?—Certainly.

3137. And it is the demand of the public that determines, from time to time, what amount of coin is required for the circulation of the country?—The amount of coin required in the country is settled by certain natural laws which can be explained, but which I think it is not necessary to enlarge upon now.

3138. The coin, in the event of a purely metallic currency, would be supplied just in proportion to the demands of the public for it, through the channels through which the Bank performs that business?—The supply of coin in that case would be regulated by the same natural laws which regulate the supply of every other commodity. The proportion of precious metals held by all the countries in the world is settled by certain natural laws, with which the Government have nothing to do; and it would be in virtue of those laws, that at certain times bullion would be taken to the mints of the respective countries, and be coined, and at certain other times this coin would be exported.

3139. But the quantity of coin would be determined by the requirements of trade; and those requirements would be exhibited by the transactions of the Bank of England, which sends its gold to the Mint to be coined, in proportion to the demand that there may be for coin?—The gold would be sent to the Mint, and coined, when it answered to send gold to the Mint to get it coined. The quantity actually sent to the Mint to be coined would be regulated by certain natural laws, the tendency of which is to keep the circulation of this country in equilibrium with the circulation of other countries.

3140. Now to take the practice of the Bank of England, the Bank of England holds

holds a large quantity of metal partly in the form of bullion, partly in the form of coin. If there is a demand for coin, and the metallic currency is being drawn out of the Bank to an inconvenient extent, will not the Bank immediately send a portion of its bullion to the Mint to be coined, in order to keep up what it considered its proper proportion of coin?—I presume that this question supposes there is nothing but a metallic currency in England. In that case of course the reserve of the Bank of England, like the reserve of all other banks, would be in gold; I dare say under these circumstances the Bank of England, and perhaps other banks, would hold a certain portion of their reserve in bullion and a certain portion in coin, and if they found it probable that they were likely to want coin instead of bullion, they would send a portion of that bullion to the Mint to be coined.

3141. If, on the other hand, there was, through the medium of deposits, an accumulation of coin in the hands of the Bank, they would cease to send bullion, and be satisfied with the coin that they had in hand?—Yes.

3142. Therefore, in the case we are speaking of, that of a purely metallic currency, the quantity of gold coined would be entirely in relation to the demands of the public. If there was a great demand for circulation, there would be a greater amount of gold coined in the Mint; if there was a small demand there would be a less amount of gold coined?—I suppose so.

3143. In what respect, then, do you mean that there is competition between bankers that issue notes, and that there is not competition between bankers that issue coin?—A banker makes a profit by the issue of his notes. He issues that which is comparatively worthless in loans or the purchase of securities; but there would be no such profit from a banker who made loans or purchased securities with coin.

3145. Up to the point at which he can keep his notes in circulation, he will have a great inducement to substitute notes for coin?—Certainly.

3146. But when he has arrived at the highest point at which he can keep his notes in circulation, then he will have no motive in making loans in notes, inasmuch as they will come back to be paid in coin directly?—Certainly; in such a state of things, the issue of notes would no longer yield a profit.

3147. In the event of a purely metallic currency, the bank would be merely a bank of deposit?—Exactly.

3148. A banker of deposit derives his profit from the use of his deposits, which he lends to his customers at a higher rate of interest than that which he pays to his depositors?—In case he pays any interest at all.

3149. In point of fact, in the event of a purely metallic currency, a banker would have an interest in lending out to his customers the coin that was placed with him in deposit as much as he now has in lending out his deposits in whatever form they are placed in his hands?—The same interest, but I do not think he would have the same power. My idea is, that issuing bankers, under certain circumstances, have it in their power at certain times to purchase securities, or to make loans, to a somewhat larger amount than they could do if they merely dealt with metallic money.

3150. There is no doubt that, to the extent of their normal issues, their notes are a source of profit, by giving them the benefit of an economy of coin; but when that point has been attained, no further profit can be made by notes any more than by the use of coin?—No.

3151. I understand you to state, that in the event of competing issues, always supposing that the notes are convertible, not merely theoretically, but really, and that the banking establishment is like the Bank of England, one, the solvency of which is beyond all doubt, the amount of currency might be the same, and usually would be the same in the case of very strictly regulated issues, but that in some cases they might be different?—I think that with a mixed currency derived from competing issues, the average currency and circulation would be the same as with a metallic currency; but that the maximum would be rather higher, and the minimum rather lower; that is the point in which the analogy between a mixed currency with competing issues and a purely metallic currency fails, and it is that amount of difference which constitutes an evil in competing issues. I think that, in that respect, they do not act precisely as a metallic currency would act. With notes issued upon the principle of competition part of the notes paid off in exchange for gold would be re-issued, the currency would be kept rather too high for a certain time; but

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but the metallic test would tell at last, and then the paper, if convertible, must be brought down to a metallic level. I think it probable, though I cannot produce instances of the kind, that when the recoil took place, a mixed currency issued upon the principle of competition would be rather less than the metallic currency would be, so that the maximum and minimum would somewhat differ, although the average would be about the same.

3152. As you have stated that you consider that no person would, under any circumstances, keep a note in his pocket which he did not require, having to pay for that note the same price that he would have had to pay for gold, how can the quantity of notes in circulation be greater than the quantity of gold would be if the holder of the note is the person who determines it?—Because I think prices would be affected; therefore there would be room for a little more circulation.

3153. Then I understand you to mean, that after a certain time there would be an increase of prices, and that that increase of prices would employ a larger amount of circulation?—It would employ a larger amount of circulation; I think that prices would be raised a little higher than in the case of a purely metallic currency; that these increased prices would be upheld a little longer, or that if the prices were not in the first case raised a little more than they would be with a metallic currency, yet that the fall in the event of unfavourable exchanges would be retarded, and in that way room would be found for the circulation of more notes under a mixed currency than would be the case with a metallic currency.

3154. Then am I to understand you to mean that the increase of circulation would be the effect of higher prices, and not the cause of higher prices?—It is difficult to say; they would go together.

3155. You have said that a banker in good credit would have no difficulty in getting customers to take a loan in notes; but if a banker in good credit had already as many notes out as the trade of the neighbourhood required, would they not immediately, either directly from his customers or through other bankers, find their way back to him?—There is no doubt a check upon the circulation of any given banker by the competition of other bankers; and after a time, I have no doubt, he would find that his notes came back upon him so fast that it was not worth his while to issue them.

3156. You stated that mere convertibility is not, in your opinion, a sufficient check against depreciation; I think you do not go the length of some who consider that it is not a check against the depreciation of the note itself; but you have explained, that in your opinion an over-issue of convertible paper will lead to a depreciation of the entire currency?—Yes; I conceive that a convertible note must be identical in value with the coin which can be obtained for it; but that the effect of the circulation being rather higher than would be the case with a purely metallic currency, is to lower the value of the whole currency in comparison with the currency of other nations.

3157. Then you do not agree with those writers who contend that convertibility alone is not a sufficient security to maintain an identity of value between the note and coin?—Within the country itself, I presume, there may be districts where you cannot get notes changed for gold; but, speaking generally, I quite agree that a convertible note must be of the same value as the coin that may be obtained for it.

3158. With regard to cases where there is a premium paid for changing a note, that is mere matter of exchange altogether different from the point we are now speaking of?—That must be an accidental circumstance.

3159. A premium might as well be paid for a note in exchange for gold, if a note were required in a distant part of the country for remittance?—It might possibly be so.

3160. You say that a mixed currency may be depreciated in relation to currencies of other countries, by there being a larger amount of notes in circulation at one time than at another time?—I think that a mixed convertible currency may be maintained for a certain time at a greater amount than the metallic currency that would otherwise exist, and that the currency of that country where such mixed circulation existed would be depreciated in comparison; that prices and the exchanges would be affected, and that the balance between the currency of that country and other countries would be altered.

3161. But even in that case you do not hold the opinion that the note and the coin that represented it would not be identical?—No, I cannot conceive that if I hold a note of a banker, for which I can go and demand gold whenever I like, there can be any difference of value between the gold and the note.

3162. In point of fact, the depreciation would be a depreciation of the gold?—It would be a depreciation of the whole currency.

3163. In point of fact, it would be a depreciation of the gold?—It would be a depreciation of both. The effect would be that the gold would be exported, and in that way the equlibrium would be restored. Prices would be affected and interest to a certain extent, and the equilibrium would so be restored.

3164. That is to say, you would have a larger amount of gold in this country than would be required for the purposes of the country at the time?—I do not say that. The parting with the gold would be a matter of necessity; it would go to restore the equilibrium.

3165. Am I to understand you to admit that the note and the gold would be identical in value?—Yes.

3166. But I understand you also to say, that the note and the gold together would be depreciated in relation to the currency of other countries?—Yes, in relation to the currency of other countries.

3167. Therefore if the note is depreciated, the gold itself must be depreciated in relation to the gold in other countries?—Yes, as a portion of the currency of the country in question.

3168. Then, in point of fact, gold would be cheaper here than it would be abroad?—Yes.

3169. Would not the same thing exactly happen with a metallic currency?—Under certain circumstances, indubitably. If you choose to use the word "depreciation," the same thing would take place, no doubt.

3170. Does not the same thing exactly happen with the importation of gold from gold-producing countries?—Certainly.

3171. Therefore there is no disturbance of the identity of value of the mixed currency, with regard to the currencies of other countries, any more than there would be with an increase of the metallic currency?—No; that is just the point. My idea is, that with a mixed currency of notes issued in competition, the whole amount of the currency under certain circumstances would probably be higher than the metallic currency that might supply its place; and that excess might remain in circulation for a certain time, although finally it would be brought to a metallic test. The form in which it would be brought to a metallic test is by the effect on the prices of commodities, securities, and so forth; and the final result would be that the gold would be exported, and that the whole of the mixed currency would be brought down to the level of what the metallic currency would be, or perhaps even a little lower.

3172. But I understand you to say, that the metallic test has never been departed from, that is, that at all times there is a strict identity of value between the note and the coin?—Only in the country itself; if I hold a note of the Bank of England, and I know that I can go to the issue department and get gold for it, there is no doubt that the note and the gold are identical in value; but that does not at all prove that there may not be at certain times too great an issue of paper, so as to diminish the value of the whole currency, and of every integral part of the currency of this country, in comparison with the currencies of other countries.

3173. But you say the same thing happens if we have an importation of gold?—Not the same thing; I said that this mixed currency that we are talking about may, although convertible, be issued to a larger amount than would be the case with a metallic currency; and that is the point.

3174. Is your meaning this, that by the use of paper you economise a certain quantity of gold that would otherwise be required, and that you therefore displace that gold from the use to which it would be applied in the country, and thereby render it available for exportation to other countries?—No, that was not my meaning; my meaning was this: that nobody can have the least motive for issuing metallic money in excess; but persons may have a motive to issue paper in excess, because great profit is derived from the issue of paper money, and no profit from the issue of gold, and I believe the effect of this motive on the part of issuers is, that they occasionally do issue more paper than the quantity of gold that would be circulated.

 3175. But

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3175. But admitting fully that banks of issue have a strong motive for thus issuing paper in preference to gold, I understand you to be of opinion that they have not the power to do so, except within the smallest possible limits?—I am convinced that they have the power, but to what extent I cannot say; it must vary according to circumstances.

3176. You think the paper would vary from time to time?—Yes, I think so.

3177. You think that is the case of a mixed currency, whatever depreciation attached to the note would at that moment equally attach to the coin?—I think so.

3178. Therefore, so far the note and the coin would share the same fate?—I think so.

3179. With regard to the state of the country issues from 1834 to 1836, what was the extent of the increase which took place at that time?—I stated that in January 1834 the country issues were 10,782,000*l.*, and that in 1836 they were 12,406,000*l.* I said I thought that was an increase that could not have taken place if the currency had been purely metallic.

3180. That was from the beginning of 1834 to April 1836?—Yes.

3181. Would it not be a more correct comparison to take the same month in each year?—Perhaps so; I have not got the returns.

3182. There was an increase of about 2,000,000*l.*?—About that.

3183. You remember the great development of trade that took place between the early part of 1834 and the middle of 1836?—I cannot say that I have any very clear recollection of it; but I will assume that it was so.

3184. Might not rival issuers of notes displace each other's notes without increasing the whole circulation?—Certainly.

3185. Are you aware that at the times to which you have referred, while there was a great increase on the part of country bankers, there was a considerable decrease of the Bank of England circulation?—I believe so.

Vide Appendix, No. 15, p. 148.

3186. If you will refer to Paper No. 19 * you will see that in the beginning of 1834 the Bank circulation was at 19,234,500*l.*?—Yes.

3187. And that the Bank circulation in the beginning of 1836 stood at 17,953,500*l.*?—Yes.

3188. Therefore, there was a decrease of nearly 1,500,000*l.*?—Yes.

3189. During the same time there was an increase of the country circulation from 10,780,297*l.* to 11,213,985*l.*?—Yes.

3190. So that the increase of the one nearly counterbalanced the decrease of the other?—Yes, nearly so.

3191. You are aware that at that time there were very numerous and extensive joint-stock banks established in different parts of the country which were banks of issue?—I believe it was so.

3192. Those banks establishing business and issuing notes would necessarily displace the notes of some other banks which had previously possessed the ground which they sought to occupy?—They would either, of course, displace the notes of other banks or give rise to an actual increase of circulation.

3193. But the paper before this Committee shows that during that period upwards of 64 joint-stock banks of issue were established in those two years; and seeing that the increase of country bank issues during the time you have quoted only counterbalanced the decrease of the Bank of England circulation, does it not appear that there was no increase of the aggregate circulation, but only a substitution of country notes for Bank of England notes?—That is so; but I beg leave to remark that during that time the bullion in the Bank of England fell from 9,952,500*l.* to 7,632,000*l.*, and I cannot but think that the increase of the country issues, under such a state of things, must go far to bear out the view that I have expressed, that the issuers of convertible paper have some power of putting out and maintaining a larger amount of issue than would be the case with a purely metallic currency.

3194. Would the amount of bullion in the Bank of England have anything to do with the requirements of those customers of the country banks which must necessarily have regulated the amount of notes that they kept in circulation?—It seems to me that the requirements of the customers of the country banks are not the matter to be considered. The customers of a bank will take almost whatever the bank will lend, if offered at a sufficiently low interest. It is this, the

mixing

mixing up together of the demands of customers for accommodation with the supplies of money, which I consider as the source of evil.

3195. You told us that a person would not hold more notes than he actually required for his transactions, inasmuch as he has to pay for them?—Certainly. A person who borrows money at a low rate of interest does not borrow the money to put in his pocket, but to pay a debt or to make a speculation; but it goes to swell the general circulation of the kingdom. It seems to me that the demands on a bank for loans and advances are quite indefinite; a banker may lend almost anything he pleases if he can find means to do so. If he is not an issuer he can only offer the deposits of his customers, or his own capital; but if he can issue, then my position is that he will be enabled, under certain circumstances, to keep out rather a greater amount of issue than would be the case were the currency purely metallic.

3196. But in the face of the establishment of 64 joint stock banks within those two years, do you think that an increase of 1,250,000 *l.* of notes is any proof that bankers have the power to increase their issues according to their own will?—I never maintained that they can increase their issues indefinitely, but only to a certain extent. The test of convertibility is quite sufficient to prevent their increasing them indefinitely. At the period to which I have referred they did increase their issues to an extent which, had the currency been purely metallic, could not have occurred. Had the currency been purely metallic, the amount of the circulation would have been lower than it appears to have been at that time.

3197. Are you at all aware of the proportion which the transactions of those country bankers, in the shape of loans and capital, bore to the circulation of notes that they had not?—No, I am not.

3198. Are you aware of the condition of some of those banks when they failed, and the proportion which their notes in the hands of the public bore to other liabilities which they were under?—I have no recollection of it; I dare say their liabilities on notes were small in comparison with their other liabilities.

3199. The great bulk of their liabilities would be on deposits?—I should think so.

3200. The notes of the banks would form but a small proportion of their liabilities?—Yes.

3201. Therefore, supposing those banks had been banks of deposit, only the same mismanagement and rash conduct would probably have led to the same consequences?—They might have mismanaged their banking business, and I dare say they did.

3202. You quoted the case of the United States banks, which you said increased their issues to a very large amount, and you stated that when the banks failed their notes fell to a discount of 10 per cent., and from that you argued that the currency of the United States, as a whole, was depreciated in relation to the currencies of other countries; do not you think that when a bank suspends payment the suspension of the bank, and the inconvertibility of the note, for a time will sufficiently account for a depreciation of 10 per cent.?—I do not attach much importance to that fact which I mentioned, because I happened to recollect it at the moment. But I maintain that if the currency of the United States had been purely metallic, it never could have increased in the proportion in which the paper currency increased.

3203. Although the note might be ultimately safe, a depreciation of 10 per cent. would be very likely to occur, and, in fact, it would not more than cover the loss by the deferred payment?—That might or might not be so.

Veneris, 3° die Julii, 1857.

MEMBERS PRESENT.

Mr. Ball.	Mr. Puller.
Mr. Cayley.	Mr. Martin Tucker Smith.
Mr. Ennis.	Mr. Spooner.
Mr. Fergus.	Mr. Chancellor of the Exchequer.
Earl of Gifford.	Mr. Tite.
Mr. Gladstone.	Mr. Vance.
Sir James Graham.	Mr. Weguelin.
Mr. Hankey.	Mr. Wilson.
Mr. Hildyard.	Sir Charles Wood.
Mr. Hope Johnstone.	

THE RIGHT HON. THE CHANCELLOR OF THE EXCHEQUER, IN THE CHAIR.

George Warde Norman, Esq., called in; and further Examined.

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3204. Mr. *Wilson.*] I THINK it was held as a doctrine, before the passing of the Act of 1844, that, in the event of an adverse exchange, the internal currency of the country ought to be contracted, in proportion as the bullion was withdrawn, to meet that adverse exchange?—Yes; I think that was so.

3205. From your observation as a Bank Director, are you enabled to inform the Committee whether, as a matter of fact, when we have had an adverse exchange, the notes in the hands of the public have, since the Act of 1844 was passed, diminished or otherwise?—I think, since the passing of the Act of 1844, that the notes in the hands of the public during an unfavourable exchange have diminished.

3206. In giving that answer, have you referred particularly to the Returns which have been laid before this Committee?—No, I have not.

3207. Is it consistent with your observation, that at such a moment a certain degree of anxiety and discredit prevails throughout the country, and that bankers, in consequence of that discredit and anxiety, feel the necessity of strengthening their reserves at that moment?—I can hardly answer that question. I suppose when there is anxiety prevailing respecting the condition of money affairs, that bankers look closely to their reserves; but whether they increase them or not I am unable to say.

3208. Are you aware, as a matter of fact, that a paper which has been laid before the Committee shows that in the autumn of 1856, when you, perhaps, remember that there was a considerable drain of bullion upon the Bank, and a great increase in the rate of interest, the first effect of that, after the first three or four months, was to increase the amount of notes in the hands of the public, and not to diminish them?—I have not especially referred to that point.

3209. In the event of a purely metallic currency prevailing, what would you call the currency of the country in that case; would you include in the currency the reserve of the Bank of England in the shape of bullion?—Certainly.

3210. Then you would consider, in the case of a metallic currency, that the whole of the bullion in the Bank of England constituted part of the currency of the country?—It would be part of the money of the country. I use the words "money" and "currency" as convertible terms.

3211. Would you call uncoined gold money?—When it is transmitted backwards and forwards, for the purpose of correcting exchanges, I should call it money.

3212. But with a mixed circulation, you do not call it money?—Yes, I should.

3213. At the present moment, do you consider that the whole of the bullion possessed by the Bank of England, whether coined or uncoined, constitutes part of the currency?—I consider that it constitutes part of the money of the country; it is that upon which the notes are issued.

3214. Whether

3214. Whether coined or uncoined?—Whether coined or uncoined.

3215. Then, if Messrs. Rothschild & Co. were to receive a large consignment of bullion from Australia, and were to hold it in their possession, waiting for the best market, for two or three weeks, would you consider that that gold constituted part of the money or currency of the country?—It is a question of definition, more verbal than material; I think in that particular case I should probably say not; but I can hardly conceive that Messrs. Rothschild would keep bar gold by them and lose the interest; they would pay it into the Issue Department of the Bank.

3216. But gold in their hands or in the hands of any private persons would be precisely the same as it would be in the hands of the Bank of England, so far as regards the facility of getting it converted into coin at the Mint?—Yes, quite so; all persons having gold might send it to the Mint to be coined, if they thought fit.

3217. In the event of a metallic currency, and a drain to rectify the foreign exchanges, do you consider there would be any action upon the coin in the hands of the public, or that the drain would be answered exclusively from the reserve of the Bank of England, or of other bankers?—I think that the effect would vary according to circumstances; if it was a slight and unimportant drain, the coin might be abstracted from the reserve of the Bank of England, and from those of other bankers, without necessitating any diminution of coin in the hands of the public at large; but I have no doubt that in the case of a continued drain, which should act upon prices to a considerable extent, the coin in the hands of the public would be diminished.

3218. In the event of a continued drain which should influence the transactions of the country, and finally lead to a reduction of prices by diminished trade, the currency required for the conduct of trade would be less than it had been before?—Yes.

3219. And therefore the ultimate effect might be a diminution of the currency or coin in the hands of the public?—Yes.

3220. Which would, however, be a subsequent effect, and not the primary cause?—The two things would probably go on *pari passu*.

3221. Must not a diminution of prices take place before a smaller amount of currency can answer the purposes of trade?—The two things will go on *pari passu*. You can hardly say that one would come before the other; they would act together.

3222. With regard to the division of the accounts of the Bank as at present required under the Act of 1844, you stated upon a former day that the same division was used before the passing of the Act?—It was for the private information of the Bank Directors.

3223. Is it not perfectly easy to convert the condition of the Bank of England in its assets and liabilities either into that form or into the old form in which they used to be published, without altering in effect any part of the substantial conditions of their assets or liabilities?—If you desire to look at that which the Bank owes and that which the Bank possesses, no doubt you may present the account in another form and give the information that is desired; but if you want to look at the real condition of the currency and the condition of the Bank as it respects the currency, then I know of no form of account that would yield a result so satisfactory as the form now adopted.

3224. In the old form of account the circulation of the Bank as exhibited showed the notes in the hands of the public only?—Yes.

3225. Those notes constituted the only liability which the Bank as a corporation had in respect of its circulation?—Yes.

3226. On the side, therefore, of the liabilities, the only liability with respect to notes is that which was represented in the old form of account as consisting of the notes in the hands of the public?—If you choose to mix together the two departments, of course that is all which the Bank as one corporation owes.

3227. The balance of notes which are in the Banking Department and the balance of notes issued from the Issue Department, not in the hands of the public but remaining in the Banking Department, are not a liability of the Bank of England?—They are not.

3228. You have stated upon a former day that you did not see that those notes in the Banking Department represented a portion of the bullion in the Issue Department?—I do not think that they represent a portion of the bullion in the

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Issue Department any more than the notes in the hands of any other banker do. They represent a portion of the bullion in the Issue Department in the same way as the notes in the reserve of any other banker represent another portion of the bullion in the Issue Department.

3229. But of course there is no doubt about the notes in the hands of Smith, Payne & Co., or Jones Loyd & Co., being liabilities of the Bank of England?—They are liabilities of the Issue Department of the Bank of England. The notes in the hands of the Banking Department of the Bank of England are also liabilities of the Issue Department of the Bank of England. I see no difference between them. There is, we will suppose, 11 millions of gold to pay 25 millions of notes, in whosever hands these may be.

3230. But they do not, in point of fact, represent a portion of the bullion in the Issue Department of the Bank of England?—If the Issue Department is able to pay them.

3231. The Issue Department, as I understand it, is thus constituted. On the one side you have 14,500,000*l.* of securities, and on the same side you have whatever amount of bullion is possessed by the Bank at the time, except the coin in the Banking Department. Against the aggregate of those two quantities you issue precisely a similar amount of notes to the Banking Department. That is so, is it not?—The notes are not issued to the Banking Department, but are handed over either to it or the public in exchange for gold.

3232. Then the securities are a fixed quantity, and the fluctuating quantity is the bullion?—Certainly.

3233. Then the whole fluctuation of the amount of notes issued from the Issue Department depends upon the fluctuation of the bullion. The reserve of the Banking Department is the portion of notes issued from the Issue Department which are not in the hands of the public?—Yes.

3234. Therefore, at all times, the notes in the hands of the public, plus the notes in the reserve of the Banking Department, are equal to the whole amount issued from the Issue Department?—Yes.

3235. Then as the only fluctuating element of the Issue Department consists of the bullion, the aggregate of the reserve in the Banking Department, and the notes in the hands of the public, must fluctuate exactly as the bullion fluctuates?—Yes.

3236. Then taking the circulation in the hands of the public to be 20,500,000*l.*, and the amount of securities at 14,500,000*l.*, it would leave 6,000,000*l.* of notes in the hands of the public represented by bullion?—Yes, or exchanged for bullion.

3237. That is, there would be 14,500,000*l.* represented by securities, and the remaining 6,000,000*l.* represented by bullion?—Yes.

3238. That would be the portion of bullion in the Issue Department representing those notes?—Yes.

3239. You say, that the remaining 6,000,000*l.* of notes in the hands of the Bank represent that amount of bullion in the Issue Department. Must not whatever is left of bullion in the Issue Department be represented by the notes in the reserve of the Banking Department?—My view is this: there are a certain number of notes put forth from the Issue Department, partly on securities, partly on gold. This amount of notes, with the coin which exists in the country, putting out of view the country issues, is the circulation which carries on all the business of the country, and which furnishes the banking reserves of the country. The Bank of England, like any other bank, manages its banking business as it best can, and keeps as its reserve a certain portion of notes, and a certain portion of coin.

3240. Supposing that the securities in the Issue Department are 14,500,000*l.*, take the bullion at 12,000,000*l.*, that will make an aggregate of 26,500,000*l.* The Issue Department would issue notes to the Banking Department to the extent of 26,500,000*l.*?—The state of things would be this: notes to the extent of 26,500,000*l.* would have been put forth by the Issue Department; of these a certain portion would be in the hands of the Banking Department, and the remainder in the possession of the public.

3241. So that there would be 26,500,000*l.* of notes from the Issue Department. Then supposing that at that time the notes in the hands of the public were 20,500,000*l.*, the reserve in the Banking Department would be 6,000,000*l.*?—Yes.

3242. Is not the difference between the whole amount of issue from the Issue Department and that which is in the hands of the public the only thing that constitutes the reserve of notes in the Banking Department?—Yes.

3243. But anything that is in the hands of other bankers is in circulation out of the hands of the Bank?—Indubitably; but I look upon the reserve of the Banking Department of the Bank as being precisely the same as the reserve of any other bank; I cannot see any difference.

3244. My question does not affect that. Would it not be the same as if the Issue Department had issued to the Banking Department 26,500,000 *l.* of notes?—The Issue Department does not issue to the Banking Department, as assumed in the question, it merely exchanges notes for gold.

3245. Then we will say that it is issued generally; that the Issue Department have issued 26,500,000 *l.*, and that there are in the hands of the public 26,500,000 *l.* of notes; must it not follow, then, that there are 6,000,000 *l.* of notes constituting the reserve of the Banking Department?—Yes.

3246. If that be so, 14,500,000 *l.* of securities will represent the portions of the notes in the hands of the public, and the remaining 6,000,000 *l.* would be represented by the bullion in the Issue Department?—Yes; unless it be considered that the term "represent" means not merely a measure, but also a special security. The gold is intended to secure the convertibility of the whole 26,500,000 *l.* of notes, and not of any particular portion of them.

3247. That would be 20,500,000 *l.*?—Yes; with the explanation given in the last reply.

3248. So that there would be 26,500,000 *l.* of liabilities on the part of the Issue Department, and that would be divided in the following manner, 14,500,000 *l.* of securities, and 6,000,000 *l.* of bullion, constituting 20,500,000 *l.*, which represent the notes in the hands of the public, and then the remaining 6,000,000 *l.* of bullion will represent the notes in the Banking Department, making 26,500,000 *l.*?—Yes, as a measure. The 12,000,000 *l.* of notes, which have been exchanged for gold, have no preference, however, over the notes represented by securities.

3249. That being the case, the reserve in the Banking Department would increase or diminish from two causes. It might increase from the notes in the hands of the public being paid into the Bank, in which case the portion of notes in the hands of the public would diminish, and the portion in the hands of the Banking Department would increase?—Yes.

3250. Or it might diminish by an increased quantity of those notes being required by the public; and in that case the notes in the hands of the public would increase and those in the Banking Department would diminish?—Yes.

3251. The total still remaining the same, and the bullion remaining the same also?—Yes.

3252. Or it might increase or diminish from another cause; it might increase by an addition to the bullion in the Issue Department, by which the Issue Department gave to the Banking Department a corresponding increased quantity of notes; or it might diminish by there being a diminished quantity of bullion in the Issue Department in exchange for notes in the Banking Department?—If the Issue Department furnished an increased amount of notes for gold, these notes would be thrown into the money-market, and a portion would probably be paid into the Banking Department. An opposite state of things would occur, if gold in exchange for notes was demanded from the Issue Department.

3253. But in all those cases the fluctuation of the reserve of notes must obey the fluctuation of the bullion in the Issue Department?—Yes, I suppose so; as the difference between the notes in the hands of the public and the proper amount issued represents that which is in the hands of the Bank.

3254. And therefore the reserve of notes in the Banking Department of the Bank of England is identical with the unexhausted portion of the bullion in the Issue Department, which is not represented by notes in the hands of the public? It is of the same amount.

3255. Therefore the notes in the hands of the Banking Department represent a portion of the bullion; does not it come to that?—It does, to the same extent as any similar portion of the circulation.

3256. You say that the notes in the Banking Department are exactly the same as the notes in the hands of Smith, Payne & Co., or Jones Loyd & Co., in your opinion?—Yes, that is my opinion.

3257. But in the Banking Department you say they are not a liability of the

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Bank of England?—They are a liability of the Issue Department of the Bank of England. If you choose to regard the whole Bank Corporation as one body, of course they have a claim upon the whole assets of the Bank.

3258. It is mere matter of account between one department of the Bank and another. The Banking Department may claim from the Issue Department any exchange for its notes?—Yes, exactly as any other person holding notes.

3259. But in the hands of any other banker, Bank of England notes constitute a real liability of the Bank of England for which it may be called upon to pay gold?—Yes, regarding the Bank as one body.

3260. Is there not this other difference between the two, that the Banking Department pays nothing to the Issue Department for the notes which it has in its possession?—The Banking Department cannot obtain notes without giving some value for them in some shape or other.

3261. It receives them in exchange for bullion?—The Issue Department issues its notes in exchange for bullion. The Banking Department must give value for these notes as any other bank must give value for them.

3262. The bullion is placed in the Bank of England, and the Bank of England creates notes which represent the bullion, but it pays nothing for the use of those notes?—I conceive that the Banking Department of the Bank cannot obtain notes without giving something for them. They must be represented by securities, or they form a portion of the reserve.

3263. They constitute a portion of the reserve of the Bank, and whether it is in the shape of bullion or in the shape of notes is a matter of indifference to the Bank of England; it makes no profit or loss in either case?—No, I do not see that it does.

3264. With regard to notes issued to other bankers or to the public, the Bank of England derive a profit from their circulation in the hands of the public?—The Issue Department does derive a profit.

3265. The Bank of England, as a corporation, derives a profit from it?—Certainly, if you choose to regard the two departments as one, then the Bank of England derives a profit.

3266. You have one common dividend to your proprietors from the whole profits of the Bank of England?—We have.

3267. The profit of the circulation in the hands of the public constitutes a certain portion of your profit?—It does.

3268. There is no distinction in the interest of the proprietors, because you conduct your transactions in two departments?—None.

3269. In the case of Jones Loyd & Co., and Smith, Payne & Co., every liability which stands against them can be discharged by the tender on their part of Bank of England notes?—Yes.

3270. In the case of the Bank of England it would be thus far different, that if a man brings 100,000*l.* of Bank of England notes to be paid, you could not discharge that liability by the use of other Bank of England notes?—I apprehend that the way in which they would be discharged would be that they would be taken to the Issue Department, and gold would be given there in exchange for them.

3271. They would be paid in that portion of the Bank of England that is set apart for converting notes?—Yes.

3272. But it would be a discharge of the liability of the Governor and Company of the Bank of England by the payment of bullion, in which they are bound to pay their notes?—Yes, looking at the Bank as a single corporation.

3273. Is there not, therefore, this difference between Bank of England notes in the hands of a banker, and the same notes in the hands of the Bank of England, that in the case of the private banker the notes will be a legal tender in discharge of every liability on his part, whereas they will not discharge the liabilities of the Bank of England?—The Bank of England as a corporation of course differs from other bankers in this, that they have an Issue Department distinct from the Banking Department which other non-issuing bankers have not, and the proprietors are interested in both departments; the profit and loss of both go to the proprietors; but I do not think that in any other way the position of the Banking Department differs from that of other bankers. If the Banking Department were to pay in gold, it must obtain gold from the Issue Department by handing over the notes, and those notes would be immediately cancelled.

3274. The Bank of England does not differ from all other bankers if you regard the notes in the Banking Department as being merely symbols of so much bullion,

and

and not as being in themselves a legal tender, as they are in the hands of other bankers?—I do not think that the fact of the notes being a legal tender has much to do with the principle involved in the operation. It does not essentially alter the position of the Bank of England when it is compared with any ordinary banking business.

3275. Is it not a very great difference in practice if not in principle. For example, if a customer of Smith, Payne & Co. sends a cheque for 500,000 *l.*, that cheque can be discharged by the use of Bank of England notes which they have in their till?—Certainly.

3276. If another customer takes in a cheque to the Bank of England, and demands gold, they are bound to pay it, Bank of England notes in their hands not being a legal tender?—They are, I apprehend, a legal tender in the Banking Department. In the case assumed the notes would be taken to the Issue Department, and the Issue Department would pay them in gold.

3277. But practically you pay your customer, if he demands it, in gold?—I presume that the usual course, when large sums are wanted, is to give the notes to the customer, and to tell the customer where he can go and get the gold.

3278 That is only referring the customer from one counter to another in the same bank?—As I stated before, as compared with the case of Smith, Payne & Co., it is going 100 feet instead of 100 yards.

3279. If Jones Loyd & Co. have a sufficient reserve of Bank of England notes, that is all that they require for their security?—Yes.

3280. They need have no bullion at all, except what may be required for the convenience of their customers, because all their liabilities can be discharged in those notes?—Yes.

3281. With regard to the Bank of England, the Bank of England must take care that it has bullion to discharge its liabilities, must it not?—Regarding the whole corporation as one, undoubtedly.

3282. Supposing the Bank of England were to refuse to pay the notes; supposing they were to say, We do not admit these notes, they are suspicious notes, and the person presenting them were to bring an action against the Bank for the payment of the notes, against whom would he bring it?—That is a legal question; I am told that the Banking Department of the Bank is only bound to pay in notes. I do not know whether a separate action must be brought against the Issue Department; the whole corporation must, of course, ultimately be liable.

3283. Would he not have to bring his action against the Governor and Company of the Bank of England?—I suppose so.

3284. There is nothing known but the corporation of the Governor and Company of the Bank of England?—The proprietors would have to pay at last.

3285. The expenses of the lawsuit would be paid out of the profits, and they would affect the dividends of the whole proprietors of the Governor and Company of the Bank of England?—I presume so.

3286. You stated on a former day that you conceived that banks of issue have very small influence or power over the amount of issues in the hands of the public?—My idea is, that banks of issue may of course, if they think fit, withdraw all their issues; that so far as diminution goes, their power is complete; that they may diminish their issues to any amount they please, or pay them off altogether. With regard to increasing their issues, I think that under certain circumstances they have the power of increasing their issues when they think it profitable to do so, and that their issues may, under certain circumstances, remain in circulation longer than they would do in the case of a purely metallic currency.

3287. But in the event of an attempt to diminish the circulation, that could only be done by substituting some other medium of circulation, either coin or other notes?—Yes.

3288. Therefore, although a single banker might, by paying his depositors in coin instead of his own notes, contract the circulation of his own notes, he could not affect the aggregate circulation by so doing?—So far, certainly not.

3289. As a bank of issue is also a bank of deposit, in any attempt on the part of a banker to contract his circulation by withholding his notes, he must be prepared to answer the demands of his depositors in the form they require?—As far as his depositors make a demand upon him, certainly; only it must be remembered that the demands of depositors are not indefinite. Deposit banking is carried on upon the supposition that there is a certain minimum of deposits,

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and that upon the possession of that minimum of deposits, that deposit banker may safely calculate.

3290. Is it not the case that although there may be a general average of amount pretty nearly equal, and the deposits in every bank fluctuate in the aggregate very little, yet that the details of those deposits, as regards the accounts of individuals may fluctuate very much?—Doubtless.

3291. You are of opinion that there may be some increase of issues by issuing bankers, and that that increase of issue, whatever it may be, will tend to depreciate the whole currency?—Yes.

3292. Would that be, in your estimation, by the displacement of coin by notes?—No; I believe there would be an addition to the aggregate of coin and notes. I do not see why there should be any displacement of coin.

3293. You think there would be an increase in the aggregate circulation?—An increase in the aggregate circulation.

3294. And that increase in the aggregate circulation you think would lead to the export of gold?—Yes; I think it would affect prices and the interest of money, and lead to an export of gold.

3295. An export of gold might take place from two causes, either because gold was at a premium in other countries where it was required, or because it was in excess of supply in this country, and it might be sent abroad to make purchases?—It would take place when the equilibrium of circulation in this and other countries was affected, and when the currency of this country, from whatever cause, had become of less value than the currency of other countries.

3296. Take the 2,000,000*l.*, about which so much has been said; suppose there was an increase of issue in the Banking Department upon 2,000,000*l.* of securities, you are of opinion that the ultimate effect of that would be to lead to an export of gold to that amount?—Yes, other things remaining the same.

3297. If there happened at that moment to be a demand for gold abroad it would lead to an export of gold, because they could obtain it from the reserve of the Bank?—It would be so, I think, because the wants of the country, with respect to circulation, would be such that the country keeping its currency in an equilibrium with the currency of other countries could spare those 2,000,000*l.* of gold.

3298. You have an amount of bullion in the Bank of England varying at different times from 9,000,000*l.* up to 20,000,000*l.* within the last three or four years; if this additional economy of capital were effected, might not the effect be merely to add to your reserve, and not to lead to an export of gold?—I think it would lead to an export. The supposition is, that you buy securities with this sum and throw it into the market. The requirements of the country for circulation, so as to maintain its currency in a state of equilibrium with the currency of other countries, would not be affected; an export of gold would be the probable result.

3299. It appears that you sometimes, for a whole year together, keep 16,000,000*l.*, 17,000,000*l.*, 18,000,000*l.*, or 19,000,000*l.* of gold reserve in the Bank of England, which is not required at all for your banking purposes?—Such has been the amount of treasure in the Issue Department.

3300. That large reserve was at times when there was no demand for gold for exportation?—Yes.

3301. Then if 2,000,000*l.* were added to it at such a moment as that, the mere fact of the addition of 2,000,000*l.* would not necessarily lead to a demand for exportation?—Not necessarily, but probably.

3302. If, however, the 2,000,000*l.* were added at a time when there was a demand for gold for foreign trade, undoubtedly that would at once lead to an exportation of bullion?—Yes, I think in both cases it would.

3303. You mean finally?—Yes.

3304. With reference to the power of country bankers to issue notes, you think they may have a motive for increasing their issues of notes, which would not apply to increasing the circulation if it were purely metallic?—Yes.

3305. That motive would consist of the additional profit which they would gain by making loans in their own notes up to a certain point, and which they would not have by making loans in coin?—Yes.

3306. If country bankers were to use the notes of the Bank of England instead of their own notes, that motive would entirely cease, because they could not

not procure Bank of England notes upon more favourable terms than they could procure coin itself?—Quite so.

3307. Therefore they could have no motive either for economising the circulation, or for increasing the circulation, more than they would have if they had used coin instead of notes?—No more motive.

3308. Therefore you conceive that if Bank of England notes were substituted for country bank notes, all that motive for over-issue would cease?—It would.

3309. In such an arrangement a country banker would have to procure his notes from the Bank of England in exchange for securities or for bills discounted or some other valuable consideration?—Either from the Bank of England or the public, as the case might be.

3310. Whatever form of bank note he held he would, in some form or other, have given full value for it?—Yes.

3311. And to whatever extent he issued those notes, the Bank of England would, in point of fact, secure the whole profit?—That of course would depend upon the arrangement which the public might make with the Bank; it would go to increase the profit of the issuing body, whatever the body might be.

3312. Supposing those banks were to give security for their circulation, and were to be allowed to issue notes to the extent of any amount of public securities that they might place in the hands of the Government, would not that have the same effect in taking away all the motive for issuing paper which does not exist with regard to coin, as if they issued notes of the Bank of England?—I think not. In the one case they would be obliged to buy, as it were, the notes of the Bank of England; in the other case they would issue their own notes. The notes of the Bank of England of course would give them no profit at all, but if they issued their own notes, merely being bound to give security for the notes, they would have the profit arising from those securities, as well as the profit from the notes.

3313. But in both cases they would have to furnish capital in order to procure the notes, to the full amount of the notes, whether they bought them from the Bank of England, or whether they received a license to issue from the Government, in return for securities lodged with the Government?—In the case of the Bank of England notes, of course they would have to buy them, to give something possessing real value for them; but if they had simply to give security for their issues, they might in effect purchase the securities with their own notes.

3314. If a banker required 100,000 *l.* of Bank of England notes, and were to take to the Bank of England 100,000 *l.* of Consols, and ask them to advance to him notes to the amount of 100,000 *l.*, that banker would give full value for the notes which he received from the Bank of England?—Quite so.

3315. If the same banker were to take 100,000 *l.* of Consols to a Government department, and to receive from the Government department a license to issue 100,000 *l.* of notes, he would still be giving for the license security of the same value that he would give in the other case for the notes?—Yes; but then he would have a double profit.

3316. In that event the banker who made the issue would profit by the issue, and not the Bank of England?—Yes; in that case the banker would profit by the issue, and not the Bank of England.

3317. In both cases full security being possessed for the notes, and the notes, to whatever amount they were issued, being represented by real capital, and the only difference between the two cases being, that the Bank of England would have the profit of the circulation in the one case, and the country banker would have it in the other?—Yes, quite so.

3318. I think it was said before the Committee in 1840, that one of the great objects of any future Bank Act, should be to secure the convertibility of the note?—To secure the convertibility of the note, and to take measures that the paper money should fluctuate as a metallic currency would fluctuate.

3319. For that purpose a very sufficient arrangement, in your estimation, was made by the separation of the two departments of the Bank of England, and by the issue being limited to a quantity that was represented either by securities or by bullion?—Yes, so far as respects the issues of the Bank.

3320. The circulation of the Bank of England represents about one-half of the whole circulation of the country?—Yes.

3321. Therefore with regard to one-half of the whole circulation represented by the Bank of England, full security has been taken, in your estimation, according

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to the division of the two departments for that half of the circulation?—I think so.

3322. Has there been any security whatever taken for the remaining half?—None.

3323. Then you regard the Bank Act of 1844 as defective in that respect?—The Act of 1844 does not prescribe that any security shall be taken for the country issues, and I think it is so far defective.

3324. The Act of 1844 gave to the country issuers, who represent one-half of the whole circulation, an absolute monopoly of that one-half without taking any security for the convertibility of their notes, and without taking any means of ascertaining the solvency of the banks?—That was so, certainly.

3325. Is that a state of things that you would consider desirable to maintain permanently?—It has been always my doctrine that nobody should be allowed to issue without giving security.

3326. You consider that the liability of a bank for its deposits and for circulation are two distinct things?—I do.

3327. You consider that a banker in his liabilities for his deposits acts towards his customer, and his customer towards him, in full liberty and with deliberation beforehand, and that therefore they should be treated as ordinary debtor and creditor?—I do.

3328. But with regard to notes you think the case is very different, those being used as a circulating medium in lieu of money, and many persons dealing in districts being obliged to take those notes, or they cannot carry on their trade?—That is my opinion.

3329. You think therefore that there is a degree of compulsion in the one case which there is not in the other?—I think so.

3330. And that, in your estimation, constitutes a reason why the liabilities of a banker in regard to his circulation should in common prudence be preserved in a greater degree than with regard to his deposits?—If I had to arrange the establishment of a proper paper circulation in a country where my hands were free, I should prevent anybody from issuing notes who did not give ample security.

3331. Then you conceive that that is a defective system according to the principle of the Act of 1844. Do you consider that the existing system was intended to be permanent under that Act?—It has always been my opinion that Sir Robert Peel looked forward to a diminution, and probably an ultimate extinction, of the country issues.

3332. In your examination before the Committee in 1840, some questions were put to you with regard to what ought to be the characteristics of a general circulation, and the best mode of obtaining a single bank of issue, and putting an end to all competing issues in the country. Sir Robert Peel put this question to you (Q. 2125): "Assuming, for the sake of argument, that it was desirable for the Bank of England to possess this exclusive control over the circulation, upon that assumption, do not you think that it would be a preferable arrangement to make a provision of this kind, that hereafter no new bank of issue should be formed; that ten years hence the existing banks of issue should not be allowed to issue their own notes; and that in the meantime, it should be competent to the Bank of England and to the existing banking companies to make an arrangement, in the discretion of each, for the substitution of Bank of England notes for the present notes?" Your reply was, "That, in point of fact, is my own suggestion exactly. I suggested that no new issuers should be allowed, and that the existing issuers should have a licence given to them, to terminate at the end of a certain number of years; and I also suggested, feeling that competing issues are a great evil, that they might be abolished at an earlier period than contemplated in the second suggestion, if the Bank held out to them all the inducements that it could afford to hold out to withdraw their circulation previously to the expiration of that period." From that it would appear that you then held the opinion that there should be a provision for an end being put optionally to country issues, but that at the end of ten years it should be compulsory?—That I thought desirable.

3333. Do not this question and answer represent as nearly as possible the enactments of the Bank Act of 1844, as far as practical effect could be given to such a measure at that moment?—Except that the Act of 1844 makes no provision for the ultimate extinction of the country circulation.

3334. Do you happen to know whether it was contemplated that the future condition

condition of that question and answer would be acted upon?—I have no knowledge upon the subject.

3335. If security were given for the full amount of the notes, would that take away your objection to the country banks being permitted to issue notes?—No, it would not. I think it would remove, to a great extent, the temptation that private issuers have to over-issue under certain circumstances; but I do not think it would remove all objections.

3336. What temptation would a private issuer have to over-issue notes, in that case, that he would not have to over-issue coin?—Because we have seen already that the notes cost nothing; and the greater number of notes he can issue, the greater will be his profit. That would be so whether he gave security or not.

3337. But he would not issue notes without absorbing the amount of his actual capital or assets to that extent?—Certainly not; but then his securities would give him a certain profit, and the notes would give him a certain profit also.

3338. But at present you say, that the extent to which he can exercise that power of over-issue is very small?—I think the extent to which he can exercise it is not very considerable.

3339. And the extent to which he could exercise it if he were obliged to represent his issues by real capital would be still smaller?—Still I think that a paper currency convertible into gold at the will of the holder could be kept at an amount larger than the amount of gold which would circulate was there not this paper; though probably only for short periods, and to no very great extent.

3340. But that would be subject to considerable limitation if the banker was obliged to give security for every increased issue that he made?—That would be a check, but I do not think it would do away with all the temptation; there would still remain the double profit.

3341. The effect of the Bank Act of 1844, as far as regarded country issuers, was to give them a monopoly of the existing issues which they possessed?—Yes.

3342. Without taking any kind of security, and without taking any precaution as to their solvency?—Quite so; but I must say at the same time, that I think there has not been the same amount of insolvency among country issuers since the Act of 1844 was passed as before.

3343. Have you seen the return laid before this Committee of the number of banks of issue that have failed since 1844?—No, I have merely a general impression that there has been less insolvency among private issuers since 1844 than there was before.

3344. Are you aware that there have been two or three failures, even since this Committee began to sit?—I am aware of that.

3345. Do not you think that the existence of this monopoly in the hands of country banks of issue has had the effect of preventing whatever amount of issue in the country was really desirable from falling into better hands?—Yes, to a certain extent; I do not however see that the want of the power to issue notes would very greatly obstruct the establishment of banks, where banks were wanted. I apprehend that the profit of a private or joint stock bank arising from its issues is very small.

3346. But supposing two banks exist in the same town, the one a joint stock bank of deposit, and the other an old private bank of issue, as the law now stands the joint stock bank, although it might be doing from day to day the larger portion of banking business, would have no portion of the issue, and the private bank having the smaller portion of banking business from day to day would still have the same fixed issue?—Yes.

3347. But for the restriction of the Act of 1844 the effect would have been, that the circulation would have fallen gradually into the hands of the bank that did the larger and better business?—Yes; I suppose that would have been so.

3348. And gradually the issue business of the private bank would become extinguished as its other business became lessened?—I can suppose that a weak bank, or a bank managing its business ill, which had the privilege of issue, would certainly have an advantage over another bank that was started without the privilege of issue; but at the same time, I can hardly think that

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where a bank is really wanted, the fact that a bank may be already existing in the place possessing the privilege of issue, would prevent the establishment of another bank; I should think the profits of issue are small.

3349. Although it did not prevent the establishment, or the existence at the same moment of another bank, it would keep the issue business in the hands of the old and inferior bank, and would prevent the better bank obtaining that share of issue which it otherwise would have obtained?—Quite so.

3350. In the event of the old and inferior bank being reduced in its business, and ultimately failing, the loss of the circulation in that neighbourhood would fall upon the public, whereas if a natural change had taken place, and the issue had fallen into the hands of the better bank, the public would not have suffered that loss?—That might be so as respects the loss to noteholders; I do not think the public at large would suffer from the withdrawal of circulation, because I am of opinion that the mechanism of the banking business is such, that whether there exist in a district private issuers or not, a sufficient quantity of coin and notes will find their way to carry on the necessary business of the district. My general view is, that the fact of there being an issuing bank in a certain district is no special advantage to the district.

3351. Whether it is an advantage or a disadvantage to have a certain amount of notes in the hands of the public, those notes constitute in their hands an absolute value as long as the notes are payable, and they become a real loss if the bank fails and does not pay them; therefore, if a country bank that is losing its general business (being displaced by a better bank) still retains the only circulation of the neighbourhood, in the event of its failure those notes form a loss to the district to that extent?—In the event of its failure, undoubtedly.

3352. But if the issue business of the bank had been left to take its natural course, like the other part of the business of the bank, the notes would have been gradually paid in from time to time, and replaced by notes of the more solvent bank?—Yes.

3353. You said that by the Act of 1844 the country bankers had made a very good bargain, and that you thought they would be very glad to stand by it?—If I were a country banker that would be my feeling.

3354. If you were a country banker you would not wish to give up the monopoly which the Act of 1844 has given?—No, I think not.

3355. Do you think it was as good a bargain for the public as for the country bankers?—I think so, upon the whole.

3356. Do you think that the Act of 1844 made a good bargain for the public with regard to the issue of those country banks, when it gave them the monopoly of one-half of the circulation of the country, without taking security for the convertibility of the note?—I think, as I have stated before, that security should always be given for notes; but I also think that the private issues have been, on the whole, more secure, and have worked more favourably to the country since the Act of 1844 than they did before.

3357. But you think that to carry out the object of the Act of 1844 it would be desirable to obtain security for the whole of the circulation, and not only for that of the Bank of England?—I say broadly and strongly, that I think that for all paper money, security ought always to be given to the State.

3358. Mr. *M. T. Smith.*] You were asked by Mr. Wilson, whether if there were 26,500,000 *l.* issued from the Issue Department, and 20,500,000 *l.* was in the hands of the public, the difference in the till of the Bank of England would not be 6,000,000 *l.*, and you said it would?—Yes.

3359. The Bank of England having by law the power to issue 14,500,000 *l.* on securities, the amount of issues on gold would, under the circumstances you have stated, be 12,000,000 *l.*?—Yes.

3360. You were then asked whether that 6,000,000 *l.* of notes in the till were not represented by 6,000,000 *l.* of gold in the Issue Department. Do not you think that those 6,000,000 *l.* of gold represent any other notes in the hands of the public just as much as they represent the 6,000,000 *l.* of notes in the till of the Bank of England?—Certainly. I have said so.

3361. Sir *Charles Wood.*] You said that you had been a Director of the Bank for 36 years?—I have.

3362. You are the oldest Director of the Bank?—I am, unfortunately.

3363. Your experience in the Bank, I believe, began about the year 1820, or thereabouts?—Eighteen hundred and twenty-one.

3364. What

3364. What was the principle upon which the issues of the Bank were regulated in that early period of your connexion with the establishment?—I am afraid they were not regulated upon fixed principles of any kind.

3365. How were they regulated?—I think the doctrine held by the leading Directors of the Bank, when I first entered it, was that if they only issued notes upon discount at a certain rate (5 per cent. it used to be at that time), the position of the Bank must be what it ought to be. There was no other principle upon which they acted, as far as I know.

3366. That is, that provided they discounted bills at a certain rate, they might issue to any extent they could?—Yes; that was about the time when the doctrines of the Bullion Committee of 1810 were much discussed. The opinion held by leading Bank Directors when I came into the Bank was, that the views expressed by Mr. Horner were quite fallacious, and that the Bank could not over-issue, provided it only met what was called the legitimate demands of commerce.

3367. Was the same doctrine held during the period of the inconvertibility of the Bank note?—I presume so.

3368. Is that in point of fact the principle laid down in the evidence given before the Committee which sat before that time, by Mr. Harman and Mr. Pearse?—I believe so.

3369. Was that for some time after you became a Director regarded as the only principle upon which the issue of notes could be regulated, namely, by having regard to the rate of interest, and the echéance of bills?—Yes.

3370. Did the doctrine of the note being convertible, affect in the slightest degree the issue of notes upon those principles?—I believe that at that time the leading Directors of the Bank thought that if the issue of notes was called for by what was deemed the legitimate demands of commerce, the Bank could never be in a false position. It must be recollected that for many years the Bank had not been exposed to the test of specie payments; I think the absolute resumption of cash payments took place in 1821, just before I became a Director.

3371. Do you happen to remember whether, in point of fact, the value of the note had not been restored previously even to 1819?—Yes. There was a time previously when the exchanges rose to par, and a considerable issue of gold took place. The exchanges subsequently fell, and the gold so issued was exported. There had been an attempt to pay the notes in gold as an experiment, which was found not to answer, and it was stopped.

3372. Do you remember whether the Bank of England was in a position to pay its notes in gold in the year 1817?—I think about that time it was. A partial payment of notes for gold took place; the Bank being then under no legal obligation to pay, did pay for a certain time.

3373. It must have been soon after you came into the direction of the Bank that the crisis of 1825 took place?—Yes.

3374. Do you remember the circumstances of that crisis?—Tolerably well.

3375. Do you think that the issue of notes, either by the Bank of England or by the country banks, at that time, had any effect in aggravating that crisis?—I have no doubt that it aggravated the crisis considerably. I think that under any circumstances there would have been great mischief; but I have no doubt that the conduct of the private issuers, and, to a certain extent, of the Bank of of England also, aggravated the evil that then existed.

3376. What conduct on the part of the Bank of England and the private issuers led to that result?—We have no details; but we may be perfectly sure from the statements made by Lord Liverpool, by Mr. Huskisson, by Lord Ashburton, and by Mr. Tooke, that the country issues at that time had largely increased; we know also that the country issues were of a very bad quality, great insolvency prevailed, and that made the collapse, when it took place, more severe. Then I think that the Bank of England, acting on the erroneous principle that I have described, took no early and sufficient measures to counteract the drain upon them. Had they taken earlier measures and more active, the evil that existed would have been lessened.

3377. Do you recollect what the increase of country bank notes, as stated by Lord Liverpool, was?—I do not recollect exactly; but I think he said a third or a half.

3378. Did he not state it to be to the extent of about 4,000,000 *l.*?—I believe so.

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3379. Do you conceive that any person in the country had better means of forming an opinion on the subject, at the time, than Lord Liverpool?—I suppose not.

3380. Do you suppose that he must have had pretty fair means of estimating in round numbers what the probable increase was?—I cannot say what means he had; but I suppose that he would not have made a statement of that sort without having sufficient ground for it.

3381. Do you remember that Mr. Tooke, in a pamphlet which he published in 1826, stated it as his opinion that the increase of country bank notes in the last three or four years had amounted to as much as 6,000,000 *l.* or 7,000,000 *l.*?—I do not remember the circumstance; I dare say it was so.

3382. Did the consequences which took place in 1825 lead to any alteration in the views of the Bank Directors?—I think so: I think that from that time sounder views began to prevail among the Bank Directors.

3383. How soon after that did the Bank Committee sit; was it not in 1833?—In 1832, I think; the Committee of which Lord Althorp was chairman; I was examined before it.

3384. Was it not stated before that Committee, by Mr. Horsley Palmer, that for two or three preceding years the Bank had been considering the wisdom of adopting some further rule for the regulation of their issues?—I think it had been felt by the Bank Directors generally, at any rate by many of them, that a fixed rule ought to be adopted. Mr. Palmer, the then Governor, was strongly of this opinion, and he endeavoured to devise a rule which should meet the difficulty.

3385. Was a rule stated in evidence before that Committee as the rule by which the Bank then regulated, and had for a short time previously to that regulated, its issues?—It was.

3386. What was that rule?—The rule was, that the securities were to be kept as nearly as possible at the same amount, leaving any addition to or diminution of the notes to act on the deposits or the bullion.

3387. Did the Bank find it possible to adhere to that rule?—No; I have no doubt that the introduction of the rule did good, but it was found practically impossible to adhere to it, and I think the rule itself was faulty.

3388. Was it not found, when the management of the Bank during the preceding eight or ten years was examined into in the year 1840, that, in point of fact, the securities had varied just as much as before?—They had varied; the rule could not be maintained. Still I think it did great credit to Mr. Palmer. It was an important step to devise any plan which was at all conformable to principle, and which set aside the entire absence of rule which had existed previously.

3389. It was during the prevalence of that state of things that the crisis of 1837 and 1839 took place?—It was.

3390. You were asked some questions on a former day about the increase of the circulation of notes at the time of the crisis of 1837. Will you have the goodness to look at Paper 19*, and see what was the amount of bullion in the month of March 1836?—£. 8,003,400.

Vide Appendix, No. 15, p. 148.

3391. What was it in April?—£. 7,638,500.

3392. Is there not a continual decrease from that date?—Yes; it seems to have decreased from that date for a considerable period.

3393. The drain began in the month of April?—Yes.

3394. Will you refer to the amount of Bank of England notes in the month of April 1834, and see what was the amount then?—In the month of April 1834 the Bank of England notes were 18,898,200 *l.*

3395. What were they in April 1836?—£. 18,448,500.

3596. What were the country bank notes in April 1834?—In April 1834 the country notes were 10,655,743 *l.*

3397. What were they in April 1836?—£. 12,403,634.

3398. Was there a considerable increase also in Scotch and Irish notes?—The Scotch and Irish notes in April 1834 were 8,184,680 *l.* In April 1836, 8,688,012 *l.*

3399. What was the total circulation in April 1834, and the total circulation in April 1836?—In April 1834, 37,738,623 *l*; and in April 1836, 39,540,146 *l.*

3400. What is the increase in those years of the whole circulation of the United Kingdom?—About 1,800,000 *l.*

3401. What

3401. What was the bullion in April 1834?—In April 1834, 8,537,600 *l.*

3402. In April 1836?—£. 7,638,500.

3403. What is the diminution in the bullion in that time?—About 900,000 *l.*

3404. So that there was in that period an increase of notes to the amount of 1,800,000 *l.* with a decrease of bullion to the amount of 900,000 *l.*?—There was.

3405. Do you conceive that that circumstance contributed to the prolongation of the drain which then took place?—I have no doubt whatever that the increase between April 1834 and April 1836 in the issues of notes, increased the severity of the drain.

3406. Did not the drain cease in March 1837?—It ceased in March 1837. The bullion increased afterwards.

3407. Was there not a still more severe drain in the early part of 1839?—There was a very severe drain in 1839.

3408. Did not that begin in the early part of 1839?—It seems to have begun in January 1839.

3409. What was the amount of bank notes with the public in March 1839, when the former drain ceased?—In March 1837, it was 17,556,250 *l.*, and in March 1839, it was 17,813,750 *l.*

3410. What were the country notes in March 1837?—£.10,748,711.

3411. In March 1839?—£. 12,191,191.

3412. What were the Scotch notes in March 1837?—£. 2,931,429.

3413. In March 1839?—£. 3,024,427.

3414. What were the Irish notes in March 1837?—£. 5,343,605 in 1837, and 6,289,777 *l.* in 1839.

3415. What was the total circulation of the United Kingdom in March 1837 and in March 1839?—It was 36,580,045 *l.* in March 1837, and 39,319,145 *l.* in March 1839.

3416. Does not that show an increase of about 3,000,000 *l.* immediately previous to the most violent part of the drain in 1839?—It was an increase of about 2,800,000 *l.* or 2,900,000 *l.*

3417. What was the bullion in March 1837?—The bullion in March 1837 was 4,262,750 *l.*

3418. What was it in December 1838?—In December 1838 it was 9,686,000 *l.*

3419. In March 1839?—It was 6,414,500 *l.*

3420. In August 1839?—£. 2,444,000.

3421. Is that the severest drain you ever recollect to have taken place in the Bank of England?—I think it was the most severe I recollect.

3422. Do you ever remember the bullion of the Bank of England to be reduced so low as it was then?—I forget exactly what it was reduced to in 1825.

3423. Is not that the most severe drain that the Bank of England has ever been subjected to since they have adopted any rule for the management of the currency?—Certainly.

3424. How was that drain stopped?—The Bank raised the rate of discount, shortened the echéance of bills, and, in short, took what were then considered very severe measures.

3425. But they were not found effectual?—The Bank went on paying its notes.

3426. Were you not reduced to ask assistance from the Bank of France, in order to avoid the continuance of that drain?—There was a transaction took place with the Bank of France.

3427. What was that?—I do not know whether I can explain it exactly, but it was that a bill circulation was opened, and the Bank of France agreed to discount constantly renewed bills that were drawn from time to time in London on Paris, and I believe other places, so as to satisfy the demand for foreign payments.

3428. That was a very unusual operation in order to check the further export of gold?—It was to furnish bills to people who wanted to make foreign remittances.

3429. Was not this, which you say is the severest drain that you remember since you have had any rule at all for the management of the currency, preceded by an unprecedentedly large increase of circulation since any rule was adopted for its regulation?—There was a very large increase in the circulation.

3430. Do you attribute any portion of the severity of that drain to the increase of the circulation?—Most undoubtedly I do; I firmly believe that if a rule like the Act of 1844 had then been in existence, and if the notes had been contracted

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at once when the drain began, the contraction would have gone on as the drain went on, and that on the whole the pressure would have been much less, and the bullion would not have been reduced to so very low an amount.

3431. Were Bank of England notes convertible during the whole of that time?—Yes, they were.

3432. Was the circulation of this country at that time a mixed circulation of gold and convertible notes?—Yes, it was.

3433. Did it vary as a metallic circulation would have varied?—Undoubtedly it did not.

3434. Are you aware that it is a doctrine held by some people that a mixed circulation of gold and convertible notes must necessarily and inevitably vary as a bullion circulation would?—Yes; I have heard that doctrine maintained.

3435. Is it possible to maintain it with reason, in the face of the experience of 1837 and 1839?—I cannot conceive how it can be maintained after the experience of those years. The experience of 1825 was similar. I believe that a mixed circulation, namely, a circulation protected by the simple law of convertibility, will almost always increase at the commencement of a drain, when the rate of interest rises. It is my firm opinion that the same thing would have taken place in the last three or four years, had it not been for the Act of 1844, which in this way has conferred an inestimable benefit on the country.

3436. You think that the experience of 1837 and 1839, added to the previous experience of 1825, led to a conviction on the part of the Bank Directors, as well as of others who took an interest in the subject of currency, that some different and more stringent rule was required than that which had prevailed up to that time?—I think so.

3437. Was such a rule afforded by the Acts of 1844 and 1845?—I think so.

3438. Will you state shortly the effect of the Act of 1844, as regards the Bank of England?—It enacts that the Bank shall hold a certain fixed amount of securities upon which notes shall be issued, and that beyond that fixed amount of securities, all notes shall be issued on gold.

3439. Are not all the notes outside the Issue Department issued either on the fixed amount of securities, or on gold?—Yes, they are.

3440. Is not the amount of notes with the public always in excess of the amount issued upon securities?—Yes; always in excess of the amount issued on securities.

3441. The remaining portion of the notes with the public, and the whole of the notes in the reserve of the Bank of England, must be issued upon gold?—Yes.

3442. Has the Banking Department of the Bank of England any control whatever over the Issue Department?—Not the least.

3443. The function of the Issue Department is simply, so far as issue goes, to exchange notes for gold?—Quite so.

3444. Do you suppose that if there was no such department in the Bank of England, the gold which is sent to the Bank of England to be exchanged for notes would be carried to the Mint to be coined?—Yes, I think so.

3445. Is there any advantage in exchanging gold for notes, above what is obtained by carrying gold to the Mint to be coined?—Persons importing bullion have a slight advantage in selling bullion to the Bank for the purpose of being placed in the Issue Department there, as compared with taking it to the Mint to be coined.

3446. Is it the fact that nobody does send gold to the Mint to be coined, because there is a slight advantage in obtaining notes for gold, rather than taking the gold to the Mint to be coined?—Yes, there is a slight advantage.

3447. Is there not a difference in the price which they obtain above that which they get at the Mint?—The Bank purchase gold at somewhat below the Mint price; but on the other hand, the loss of time that would be incurred in getting the bullion converted into coin, makes it a little more advantageous to the person who has imported the bullion to sell it to the Bank, rather than to send it to the Mint to be coined.

3448. Taking all the circumstances into consideration, the price paid, and the loss of time, and the trouble, there is a slight advantage in exchanging the gold for notes at the Bank, rather than sending bullion to the Mint to be coined?—There is.

3449. Are

3449. Are you aware whether there have been any instances recently of bullion having been sent to the Mint to be exchanged for notes?—I think not; I believe it is a circumstance of most rare occurrence for a private person to send gold to the Mint to be coined.

3450. Do you know whether it has occurred at all?—I believe it has been done.

3451. Does the Banking Department act completely as a separate body, in its management, from the Issue Department?—Completely.

3452. Do you consider that what is called the separation of the departments is an essential part of the system, and not a mere mode of stating the figures in the Bank accounts?—I think it is a really vital part of the system, and not merely a mode of stating the figures.

3453. In what way?—Because it necessarily leads to the fact that the issues of bank notes vary in all cases exactly as bullion would vary.

3454. The liabilities of the Bank and the profits of the Bank may be one concern; but, so far as the currency goes, are they totally and entirely distinct?—Totally and entirely distinct. There is no regulation of the currency now; I greatly dislike anything like an artificial management of the currency. It seems to me that the currency of a country ought to be regulated by certain natural laws, and I wholly distrust all artificial plans for that purpose.

3455. That is, you would regulate it wholly by the action of the public in exchanging gold for notes, or notes for gold?—Exactly.

3456. That you believe to be the only sound principle on which a currency can be regulated?—That I believe to be the only sound principle on which a currency can be regulated.

3457. Is that practically in this country the effect of the Acts of 1844 and 1845?—It is.

3458. Does the Bank of England in its Banking Department hold any gold in reserve?—A little; what you may consider small change; a few hundred thousand pounds.

3459. Of course it holds that entirely in coin?—Yes.

3460. Does it hold it for the convenience of its customers, just as any other banker holds a certain amount of gold and silver?—Yes, I conceive so, in order to prevent the necessity of constantly going to the Issue Department for small sums.

3461. Is there any difference, in your opinion, between the management and the circumstances of the Banking Department of the Bank of England and those of any other bank?—None whatever in principle. There is a difference in point of credit, extent of business, and so on, but in principle none whatever.

3462. I understood you to say, that you yourself think that the Bank of England note is even a legal tender in the hands of the Banking Department?—I have heard that a legal opinion has been taken upon the subject, and with that result.

3463. That is, that if a depositor presented a cheque for 100,000 *l.*, it would be a legal discharge of that cheque on the part of the Banking Department if he was paid it in notes?—I believe it would.

3464. For which he might obtain gold by going to the Issue Department?—Yes, he might.

3465. In that case notes to that amount would be cancelled?—Yes, they would.

3466. Precisely as a person going with 100,000 *l.* of notes from Smith, Payne & Smith's bank to the Issue Department might exchange them for gold, in which case also the notes would be cancelled?—Exactly the same thing.

3467. Does not the Bank of England keep, as all other banks do, an average amount of coin in its reserve for the convenience of its customers?—It does.

3468. If by the payment of their cheques in gold by the Banking Department that average amount of coin was reduced, it would be necessary to replenish its reserve of coin?—It would.

3469. How would it effect that?—By taking notes to the Issue Department and getting gold for them.

3470. Would not these notes in that case be cancelled?—They would.

3471. Whether, therefore, notes are sent in from Smith, Payne & Co. or by persons who draw them out from the Banking Department, or whether the

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Banking Department send them into the Issue Department in order to replenish its reserve of coin, are not in all cases, exactly in the same manner, the notes cancelled?—Yes, they are.

3472. In point of fact, it makes no difference as to the cancelling of the notes whether the draft of the depositor is paid in notes or in coin?—None.

3473. You have been asked, whether in case an issuing banker refusing to accommodate in the way of notes, his depositors may not force from him an issue of notes by drawing out their deposits; is that so?—Up to a certain point it is, but I have stated that the very existence of deposit banking depends upon the fact that the deposit banker can reckon upon something like a minimum amount of deposit, and therefore, practically speaking, the power of depositors to draw upon their bankers is not unlimited; it does not reach the whole amount of the deposits, it only reaches to some portion of the deposits.

3474. Supposing an extraordinary drain upon the deposits of a non-issuing banker, how does that banker meet the demand?—He must meet it by selling securities or recalling loans.

3475. Is there any reason why an issuing banker should not take the same course?—None that I know of.

3476. In the case of the Bank of England, do you find that in point of fact the private deposits are considerably diminished at a time when there is a drain upon the Bank, and when such an operation as that contemplated in the questions that have been put to you would naturally take place?—We find that the deposits of the Bank of England vary but little. When the means of employing money advantageously exists, there is a tendency in the amount of the deposits to diminish, but on the whole, the variations in the private deposits of the Bank of England are by no means very large; I have here a return of them for some time.

3477. Do you find in the return, that during a period of a drain of gold the private deposits are materially diminished?—They are diminished in some cases, but not materially. In this paper the private deposits are divided into two heads: those of bankers, and those of traders and others, and all the public deposits and *quasi* public deposits are thrown out of the account. Now I find that when the drain began in September 1846, the bullion being 16,300,000 *l.*, the bankers' deposits were 1,381,000 *l.*, and the deposits of traders and others 3,283,000 *l.* I will then take the lowest period of the drain. In October 1847 the deposits of the bankers were 1,686,000 *l.*, and of traders and others 3,116,000 *l.*; so that this class of deposits had rather increased than diminished during the drain. I will take a more recent drain. In July 1853, before the exchanges had become unfavourable, and when the bullion was 18,082,000 *l.*, the deposits of the bankers were 2,488,000 *l.*, and of traders and others 4,641,000 *l.* In May 1857 (which is the last date I have) the deposits of bankers were 2,706,000 *l.*, and of traders and others 2,979,000 *l.* In the previous drain there was an increase; but in the last drain, up to May 1859, there had been a decrease of about 1,200,000 *l.* or 1,400,000 *l.*, showing, however, upon the whole, a considerable steadiness in the amount of the deposits, and proving, I think satisfactorily, that the depositors do not always or greatly diminish their reserves during a period of drain or of rising interest in the money market.

3478. Then, upon the whole, would you conclude that when the Bank puts a check upon discounts, by raising the rate of interest or diminishing the *échéance* of bills, that is not counteracted to any great extent by the withdrawal of deposits?—Certainly.

3479. I understood you to say, that during the former drain you mentioned the private deposits actually increased?—In the previous drain in 1846 and 1847, the private deposits actually increased. In the recent drain the deposits have decreased to the amount of 1,200,000 *l.* or 1,400,000 *l.*

3480. Was this return which you have produced prepared in the Bank of England?—It was.

3481. Are you prepared to put it in as a document emanating from the Bank of England?—Yes.

Vide Appendix.

3482. Will you have the goodness to deliver it in?—[*The same was delivered in.*]

3483. Can you at all account for the difference between the circumstances of the different drains?—No, I cannot. I think that probably the long continuance of

of a high rate of interest, without anything like a panic or want of credit, induced people to draw their balances lower than they otherwise would have done. In 1847 there was a great amount of panic, and I dare say people liked to have a good balance at the Bank of England.

3484. You have been asked if the effect of the Acts of 1844 and 1845 has not been to give a monopoly to the existing country issuers?—Yes.

3485. And it has at the same time put a complete check upon any over-issue on their part?—It has.

3486. Do you conceive that the advantage gained by the public by that check upon over-issue by the country bankers, more than counterbalances any possible evil from the monopoly placed in their hands?—I think so, decidedly.

3487. I understood you to state that ever since a period not long subsequent to 1825, some restriction had been thought necessary by the persons conversant with the management of the currency, upon the issues both of the Bank of England and of the country issues?—I have always maintained that opinion, and I have found many other persons who have maintained the same.

3488. Do you think that some restriction is indispensably necessary?—I do.

3489. Is it the case, in point of fact, as far as you are aware, in all countries in which paper money is issued?—I believe that some restriction is universal. Universal experience shows that an unlimited right of issue by everybody would introduce the greatest possible confusion.

3490. You have referred to the case of the United States of America in 1837; was not that the most extraordinary and extensive failure of banks that was ever known to exist in the civilised world?—I think it was. I believe as an example, that within a very few years the Bank of the United States contrived to lose a capital of 9,000,000 *l.* sterling and to become insolvent.

3491. Was not the state of the circulation at that time unlimited issue, but subject to convertibility?—Not absolutely unlimited issue. All the American banks were chartered, or at any rate the greater part of them; but I apprehend that the Legislatures of the various States chartered banks very readily. If any people chose to form a company and asked for a right of issue, they received it.

3492. Was there not at the same time a considerable amount of coin circulating in the United States?—I believe so.

3493. Was not the circulation of the United States at the time a mixed circulation of coin and convertible notes?—Yes, it was.

3494. That is a description of circulation which is said by some persons not to be subject to over-issue?—It is.

3495. Then the result of those years shows that over-issue had got to a most frightful extent?—Yes. It seems to me that wherever you have the means of becoming acquainted with the real state of things, you always find that issuing banks have the power under certain circumstances of making their issues more extensive than could be the case with a metallic currency.

3496. Do you believe that it is in the power of the banks to control and regulate their issues?—Within certain limits, undoubtedly. Issuing banks, of course, can pay off their notes, or diminish them to any extent they may think fit; their power of increasing their issues, provided they are convertible, is more limited.

3497. Under what circumstances is an increase of notes most likely to take place?—When the interest of money is rising, and prices are high; and consequently when there is a great demand for capital; that is the time when the temptation to increased issues takes place.

3498. In those cases, do you believe that the issue of notes may be carried beyond what a metallic currency would justify?—I do. I believe that the amount may be greater than could be the case with a metallic currency, and that this increased amount may be kept in circulation for a certain time. It must finally be brought to a metallic test; but I think that there may, for a certain time, be an excess, and that the excess may be greater or smaller, according to circumstances.

3499. Is the competition of banks with each other any check upon such increase of issue as you have spoken of?—Experience shows that it is not.

3500. You have said that issuing banks have the power of increase to a limited extent

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extent only, but that they have considerable power of keeping out notes beyond the time when they ought to be reduced?—I think so.

3501. Will you explain that more fully?—The process by which that would take place would be by a re-issue of notes once returned for payment; whereas, in the case of a metallic currency, when the coin was called for and exported, there would be an end of it; the currency would be so much reduced.

3502. Is it not probable that at a time when bullion is being exported there will be considerable demands on the part of traders and merchants for accommodation?—That always is so. Almost every contraction of currency is accompanied by a rise in the rate of interest and of course by an increased profit on loans, and therefore an increased temptation to multiply the means of granting loans.

3503. There is then a strong inducement, as I understand you to say, on the part of issuing bankers not subject to stringent regulations, to keep up at least the amount of paper circulation during a drain of gold, when a metallic circulation would necessarily diminish?—There is a great temptation.

3504. You stated that the effect of such a process would be to depreciate not the paper, but the whole currency of the country; will you have the goodness to explain that more fully?—I hardly know how to explain it without going into rather a wide field. I think the best way to explain it would be to take the cases, first of a metallic currency, and then of a mixed currency. The whole stock of precious metals is distributed among the various nations using them according to certain recognised laws. Those laws stated briefly are, first, at any given moment, the demand and supply; and, secondly, as the final regulator, the cost of production or purchase, as the case may be. We assume that in a given country the currency is exclusively metallic and of gold, and that (to make the statement more simple) it is all coined, although a portion would probably be in the state of bullion. The mode in which the currency would in such a case oscillate on each side of its normal amount would be as follows:—Supposing that the exchanges, owing to the then state of the markets, were favourable, bullion or foreign coin would be imported, taken to the Mint, and coined; and this process would go on until the equilibrium had been restored. It would of course be impossible to ascertain *à priori*, or at the commencement of such a state of things, to how large a sum the addition made to the currency would amount. That could be only ascertained experimentally. It might happen that the importers of bullion had brought in more than would be exactly necessary to place the currency in a state of equilibrium. This could hardly occur to any considerable extent; but to whatever extent it did occur, gold in the country in question would be worth somewhat less than it was in other countries.

3505. How would that be shown?—It would be shown by the fact that a certain quantity of gold being laid out in the purchase of a bill drawn on a foreign country, when that bill was paid, would produce a somewhat less quantity of gold.

3506. In that case you would say, that the whole currency, being a metallic currency of that particular country, was depreciated as regards the currency of other countries?—"Depreciated" is a bad word to use, but I do not know any any other better calculated to express what I mean. The fact would be, that under those circumstances a certain quantity of gold in the country we are talking of would be worth rather less than the same quantity of gold in any other country.

3507. In those circumstances, of course it would be profitable to export gold?—In those circumstances it would be profitable to export gold.

3508. When a sufficient quantity of gold had been exported, the currency of the two countries would again be in equilibrio?—Yes.

3509. That is precisely the operation which you contemplated when speaking of the depreciation of the whole currency, consisting partly of coin and partly of convertible paper?—Precisely so.

3510. Did I rightly understand you to say also that there is a tendency to keep out an amount of paper which could not be kept in circulation in the shape of coin?—I think so, for a certain time.

3511. There again a mixed circulation would not vary as a metallic circulation would?—It would not.

3512. Both must ultimately be brought to the test of a metallic basis of circulation?—Both.

3513. In the case of a mixed circulation the process of necessary reduction would not commence so soon, though it must ultimately come to the same point?—It would not commence so soon, and it would be more violent and more irregular; it would very likely be attended by panic, and altogether the whole mechanism would act less smoothly and less satisfactorily than if the contraction took place precisely as it would with a metallic currency.

3514. Do you conceive that the state of things which you have described was that which actually did take place during the drain in 1839, for instance?—Yes; I believe it took place in every drain we had previously to the Act of 1844.

3515. Do you find that in the late drains, when the Act of 1844 has been in operation, matters have proceeded more smoothly and with less ultimate mischief?—I think much more smoothly, and with less ultimate mischief.

3516. Are you aware that an opinion is held, that if a fair amount of bullion is held by the Bank of England, a drain upon it may be suffered to run its course, without any mischief?—Yes, I have heard of such an opinion being held; but I completely differ from it. I consider that it is impossible to know until a drain has passed away, the extent to which it will go; and it is very difficult while the drain is proceeding to ascertain all its causes. These are seldom simple, and involve a multitude of conflicting considerations. In fact no human sagacity or experience is equal to the solution of such a question. In the attempt to solve it mistakes would certainly occur. Hence I think arises the necessity of a self-acting test. It is sometimes assumed, that in the case of a drain arising from a bad harvest, for instance, if a certain quantity of coin or bullion be allowed to leave the country without any corresponding contraction of notes, and in opposition to the analogy of a purely metallic currency, this gold will, somehow or other, find its way back again. This certainly might happen, but there are no *à priori* grounds for assuming that it would happen. By the supposition it would have been replaced by an equal amount of paper-money at home, and the natural result would be, that the gold would be divided among the other nations of the globe in certain proportions, according to the recognised laws which regulate the distribution of the precious metals. General prices would not have fallen at home, because the amount of money would have remained unaltered. No check would have been given to the import of commodities, other than corn; no stimulus to exportation; no balance due from foreign countries would have been created. Supposing we start with 20,000,000 *l.* of gold, and part with 10,000,000 *l.*, under the suggestion now adverted to, and that the old drain goes on, or a new one at the end of one or two years arises, it is clear that we must then contract, or notes will become inconvertible, and that the contraction must be enforced with more violence, and under less favourable circumstances than upon the existing system, which makes the paper-money contract and expand as gold money would. In short, I utterly dissent from any scheme of making our mixed currency work with advantage under any system of artificial management.

3517. Is there any security that if a drain is suffered to go on without any check at all, the quantity of gold in the country will not be permanently reduced?—Not the least: the probability is, that it will be permanently reduced.

3518. Is there any difference in point of fact between the operation which takes place under the regulation of the Act of 1844, and such an operation as must take place ultimately on the supposition of the drain being left unchecked in the first instance, except that the one is gradual, and the other is longer postponed, but more severe at the end?—Under the Act of 1844, the contraction commences with the drain, and goes on proportionately with the drain. Under any artificial management the contraction will probably be less regular in its progress. The final point of contraction must be the same in both cases.
of things exists, and I think the general working of the circulation under that state of things would be far less satisfactory than it is now.

3519. Have you any doubt that the effect of that course of conduct would be to cause far more severe pressure upon trade than the operation of the Bank Act of 1844?—I have no doubt far more severe, ending very likely in panic, and in dread as to the convertibility of the note.

3520. It has been stated to this Committee that the rate of interest has varied much more since the Act of 1844 than it did before; do you believe that to be so?—I can hardly say; I think it may have varied more.

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3521. Do you conceive that the amount of circulation; that is, the amount of notes with the public, has any effect on the rate of interest?—No permanent effect; it has a temporary effect, during its expansion and contraction; the rate of interest depends upon much wider and deeper considerations than the amount of notes in the hands of the public.

3522. What do you conceive the rate of interest really to depend upon?—My opinion is, that the rate of interest permanently depends on the demand and supply of capital. Money is little more than the instrument of transfer.

3523. Can you state any circumstances to show that the amount of notes with the public has had any effect upon the rate of interest?—It has no permanent effect; it must be allowed that it has a temporary effect. If the Committee will allow me, in answer to that question, I will take the liberty of reading a short paragraph of a pamphlet of my own, published in 1838, and in the views of which I now quite coincide. I had been endeavouring to show that the rate of interest is not dependent upon the amount of money, and I say, "During the operation of the Bank Restriction Act, when an excess of issue had depreciated the currency from 5 to 30 per cent., the rate of interest was always much higher than it has ever been since the return to cash payments. Occasionally it reached 8 and perhaps 10 per cent., while when the Bank issues were subsequently reduced and the exchanges rose, it rapidly fell. In 1822, 1823, and 1832 the general circulation was low, and the rate of interest was low also, and the same circumstance has occurred in the last few months and exists at present." (That is previous to 1838.) "Towards the end of 1824 and the beginning of 1825, and again in 1836, anterior to any contraction, and when confessedly the circulation was very high, the rate of interest rose. In all these instances the fact is exactly opposite to what is assumed by those who maintained the opinion now animadverted upon. In the summer of 1830, and perhaps on some other occasions, we had a high currency and a low rate of interest. It appears then, on the whole, that there is no fixed and necessary connexion between them; although, while the process of contraction is going on, there is a tendency in the rate of interest to rise, and the reverse while the currency is expanding." Now, I think, all our subsequent experience quite bears out that. There is no doubt that all over Europe, in the last few years, there has been a great increase in the quantity of money. The currencies of all countries have expanded, but the rate of interest has been very high. The very reverse would be the case if the rate of interest depended on the amount of currency. If that were so, the very large increase of money which has taken place would be attended with a fall in the rate of interest, but we see that the augmentation of currency has been attended with a very great increase in the rate of interest. In point of fact, there is no necessary connexion with each other. If every person in the country awoke to-morrow with twice as much money in his pocket as he possessed to-day, the rate of interest would remain unaltered, but the prices of commodities would be doubled. The ultimate effect of increasing the quantity of money is to raise prices, not to lower interest.

3524. Do you conceive that the existence of the usury laws had any material effect upon the rate of interest during the early portion of the period referred to in your last answer?—I do not think it had any real effect; of course, it gave rise to a great deal of subterfuge; and there were, I dare say, certain persons who were unwilling to break the law, and who, perhaps, conformed to the law when they could otherwise have got some little higher rate of interest. The usury laws, in some cases, had a tendency even to increase the rate of interest, because, if the law is violated, the lender will take care that he gets a certain premium to cover his risk.

3525. Do you believe that, in point of fact, in the money market in London, the usury laws ever much interfered with the rate of interest, except occasionally to raise it?—I think not.

3526. Do you think that the Bank of England has any power to affect the rate of interest?—I think that, in certain exceptional cases, it has; at the end of a quarter, for instance, when the Government money is accumulating, it may have a slight power; but, speaking generally for long periods, it has none.

3527. The advances of the Bank of England are made through what is called the Discount Office?—The greatest part of them.

3528. What is the nature of the Discount Office?—It is a very anomalous institution,

institution, because the Bank is supposed to hold out an offer to everybody to lend money to any amount on bills of exchange at a rate of interest fixed by itself, and subject, first of all, to variations in the rate of interest, and then to certain other contingencies, such as a diminution in the *échéance*, and an occasional rejection of securities ordinarily admitted.

3529. Is it not principally by raising the rate of interest that you check the amount of discounts which may be so demanded of you?—Yes; we have found, contrary to what would have been anticipated, that the power we possess, and which we exercise, of raising the rate of discount, keeps the demand upon us within manageable dimensions. There are other restrictions which are less important. The rate we charge for our discounts, we find, in general, is a sufficient check.

3530. Do you conceive that the rate of discount by the Bank of England is ever as low as it is in the general money market?—Never; we have never gone as low as the lowest rate in the money market.

3531. Earl of *Gifford*.] Would it be possible for the Committee to have a statement of the rates of discount of the Bank as compared with the rates of discount in the money market?—The Committee have had ample returns of the rates of discount at the Bank; but I think they could not have accredited returns of the rate of interest in the money market.

3532. Sir *Charles Wood*.] Could the Discount Office of the Bank of England be managed without a complete power in the Bank of England to vary its rate of interest as it chose?—I think that power absolutely necessary.

3533. You have been asked many questions about the supposed advantage of issuing 16,000,000*l*. of notes upon securities, instead of 14,000,000*l*. Would that afford any permanent advantage in the way of accommodation to the public?—Not at all.

3534. Would not the only result be, that 2,000,000*l*. more of gold would be thrown into the general supply available for the rest of the world?—That would be the general effect.

3535. Some portion of it might be kept for use in this country; the rest would probably go abroad?—I think, other things remaining the same, the 2,000,000*l*. would go abroad. There might, from certain causes, be an increased demand for gold for internal purposes, but the probability is that the greater part of it would go abroad.

3536. Would not those 2,000,000*l*. be distributed between all the countries in the world possessing gold, precisely as if 2,000,000*l*. more of gold had been dug out of the mines?—Precisely.

3537. This country would get its share?—This country would get its share.

3538. What is your opinion of the general effect of the Acts of 1844 and 1845 upon the issues, so far as they depend upon the Bank of England?—I think that the Act of 1844 has placed the issues of the Bank of England on a much more satisfactory foundation than they ever were before.

3539. After your experience of 36 years in the management of the Bank of England, do you think it would be advisable to make any alteration in the course which they are now compelled to pursue by the Act of 1844?—I think the Act of 1844 has left the Bank of England full power to do everything that the public interests require, and as far as the Bank of England is concerned, I earnestly hope that no change may be made in the law. I can tell the Committee with perfect truth, that I should look with the greatest possible alarm on any alteration in the Act of 1844 in the way of relaxation.

3540. Do you believe that that is a very general opinion on the part of persons conversant with such matters among the merchants of London?—It is the opinion of a vast majority of the persons with whom I am in the habit of associating.

3541. With regard to the operation of the Act of 1844, as regards the country issuers in England, do you believe that upon the whole that has been beneficial?—I do. I think that, since the passing of the Act of 1844, the movements and the conditions of the country circulation have been far more satisfactory than they were during any previous time within my experience.

3542. Do you think it would be desirable that the country issuers should be put in this position, that they might issue any amount of notes they chose, giving securities for two-thirds, and the other third being issued on a deposit of gold?—I never heard that suggestion before. I do not think it would be an

arrangement very palatable to the country bankers, nor do I think it would be a desirable arrangement for the public.

3543. Mr. *Gladstone.*] You do not like that suggestion in comparison with the arrangement of the present law?—I should be very glad to get security for the country issues, but I should prefer the present law.

3544. Sir *Charles Wood.*] Would you upon the whole prefer the present law to any such arrangement as that suggested in the question?—Yes, I think I should.

3545. Have you considered the present law as it affects the banks in Scotland?—Yes, I have a little.

3546. Would you consider it desirable to make any alteration in the law as it affects them?—I do not like private issues at all; but, upon the whole, I am satisfied with the law as it exists in Scotland. I think that you cannot practically make any advantageous alteration there.

3547. Do you consider that the notes in the Banking Department of the Bank of England are just as much a portion of the currency as notes in the hands of any other banker?—I do.

3548. You were asked whether they were as much a liability on the part of the Bank. Is that so?—They are a liability on the part of the Issue Department.

3549. Can the Banking Department of the Bank of England obtain notes in any other way than either by selling securities, or depositing gold with the Issue Department?—No, unless by recalling loans.

3550. Does it not give absolute value for every note that it holds beyond the amount issued upon securities?—Yes, it does.

3551. Mr. *Weguelin.*] Do you hold that the contraction of the circulation necessarily affects the exchanges?—Not absolutely; but setting aside any accidental and temporary variation, an increase in the circulation will always affect prices, and therefore the exchanges and a diminution of the circulation will always affect prices, and consequently the exchanges.

3552. You are aware what the state of the exchanges was in 1839, when the circulation of the Bank of England was reduced to 14,000,000*l.*, and the whole circulation of the country to 34,500,000*l.*?—I do not exactly recollect it; it is not the absolute amount of circulation that is the question; but what I should say is this: that if you increase the circulation prices will be higher than they would be if the circulation had not been increased, and if you diminish the circulation prices will be lower than they would have been if the circulation had not been diminished; that I take to be the rule.

3553. I understood you to say that, since the Act of 1844, the contraction begins when the drain begins and ends when the drain ends?—The contraction necessarily begins when the drain begins and ends when the drain ends.

3554. In what respect did the action of the drain of 1839 differ from the action of drains since 1844?—That, I think, will be shown by some of my previous answers. In the case of the drain which ended in 1839, the currency of the country did not contract as the drain went on. The contraction on the part of the Bank of England was small, and there was no contraction, but an increase, on the part of the country issues.

3555. Was not the circulation of the Bank of England, setting aside the bank post bills and lost notes, reduced to about 14,000,000*l.* in that year?—I see that, in December 1839, the circulation was reduced to 15,823,000*l.*, which included the lost notes and the bank post bills.

3556. Which together amounted to about 16,000,000*l.*?—Yes.

3557. The bullion had declined down to the month of August?—Yes.

3558. Had not the total circulation of the country also declined to 34,500,000*l.* at the end of the year?—I see that the published account in December was 35,774,000*l.* I suppose you deduct the lost notes and the bank post bills.

3559. Do you remember that at that time, such was the state of the exchanges, that the Bank of England found it necessary to draw upon Paris to the extent of 2,000,000*l.*?—I am aware that there was an operation going on with Paris about that time; I do not recollect the exact period.

3560. And that operation was renewed several times?—I believe it was.

3561. Therefore, notwithstanding the reduction of the Bank of England circulation to 14,000,000*l.*, and the total circulation of the country to 34,500,000*l.*,

and

and the decline in the bullion to 2,500,000 *l.*, yet the exchanges were not affected in favour of this country?—I do not exactly recollect what was going on at each particular time so long ago. I see that, in August 1839, the bullion was 2,440,000 *l.*, and the circulation 37,097,000 *l.*; and at the end of the year I see the circulation had diminished to 35,774,000 *l.*, and the gold had increased to 4,139,000 *l.*

3562. But, in the meanwhile, the Bank had drawn 2,000,000 *l.* from Paris?—I presume that was so.

3563. Have we any example since 1849, during the drains which have occurred since that period, of so great a reduction of circulation as occurred in 1839?—I think not.

3564. There has been a great reduction in the bullion from the highest point since 1844, but not in the note circulation?—Yes. I think that in the last few years the bullion operations of the country have been altogether anomalous, because we have been importing very largely, and England is the chief great channel of distribution; it is very difficult to compare this with former periods.

3565. Would it not appear, then, that as far as the contraction of the circulation is concerned, we cannot rely upon it to restore the equilibrium of the exchanges?—I think we can, if we contract enough. You cannot say that any certain amount of contraction will suffice; that is a point which can only be recognised by experience; but there is an amount of contraction which will infallibly produce the effect.

3566. In what respect did the drain in 1839 for the importation of corn differ materially from the drain in 1847?—I am not aware, nor do I believe that the drain of 1839 was exclusively for corn. There may be many circumstances combining to cause a drain. It is frequently said that such and such a drain was owing to importation of corn, but I think that almost always many circumstances conduce to it.

3567. Was not the contraction in 1839 much more violent than any contraction that has occurred since 1844?—The contraction of 1839 was a very severe contraction.

3568. Mr. *Spooner*.] You stated that you came into the Bank Direction about the year 1821?—In April 1821.

3569. Do you recollect the circumstances of the year 1821, particularly the great distress in the country at that time?—I cannot say that I have a very vivid recollection of them.

3570. You have stated that when you first came into the Direction of the Bank, you found they were acting upon a very erroneous principle?—Yes.

3571. Having been so long used to act upon an inconvertible currency, they were not acting upon the principle necessary to be acted upon when the currency was convertible?—I think they had gone on so long with an inconvertible currency, that they were not prepared for the new circumstances in which the Bank was then placed.

3572. Do you recollect that the Bank were not exactly free agents at the time; do you call to mind what took place in Parliament, that in the year 1821 or 1822 the Bank were, for the first time, permitted to lend money on mortgages?—I recollect perfectly our first loans on mortgages; they never amounted to anything very considerable; but I am not aware that it was in consequence of any legislative enactment.

3573. Are you aware that in the year 1821 or 1822, in order to remedy the distress which was then so great in the country, Lord Castlereagh proposed three measures, the direct operation of which was, largely to extend the issue of notes of the Bank of England: one of those measures being to enable the Bank to do that from which it was before restricted, namely, lending money upon mortgage; the next being for the Bank to take what is commonly called the dead weight, which, in point of fact, was a loan to the Government upon terminable annuities; and the third being a continuance of the issue of inconvertible notes for about two years longer than the Act of 1819 had contemplated?—I have no recollection that any special legislative measure was adopted in order to enable the Bank to lend on mortgage; I recollect perfectly well the Bank taking the dead weight, but I do not know that it was the result of any legislative enactment specially applicable to the Bank; I considered that it was merely a banking operation which the Bank entered into, because the Directors thought it advantageous to the corporation, and which the Minister of the day proposed

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because he thought it convenient to the public. There was something took place as to the issue of notes, but I forget what it was.

3574. Do not those circumstances show that it is not quite a correct idea that the Bank Directors were then acting upon a wrong principle, but that they were then acting upon a principle pointed out by the Legislature?—I do not think that those measures had any effect one way or the other upon the principle of the Bank management.

3575. Do you think that the empowering the Bank to lend money upon mortgage, and the Bank acting upon that power, had not a tendency to increase the circulation of the Bank of England?—To a certain extent; but it was a very trifling thing altogether. I do not think the Bank ever advanced more than about 1,100,000*l.* upon mortgage.

3576. Though you have not a clear recollection of any of those three measures proposed by Lord Castlereagh, was it not the fact that they were immediately followed by an amazing amount of speculation of every kind, particularly in South American mines, and that the country ran wild from that time down to the year 1825?—If my recollection is correct, the two things did not coincide in time. I think the excitement did not begin till a considerable time after 1821.

3577. Did not it begin in 1822?—I think there was no spirit of speculation until 1823, and that 1824 and 1825 were the great periods of excitement.

3578. Was it not the result of those measures?—I think not.

3579. Will you state what was the cause, in your opinion?—It is very difficult to state exactly the causes which occasion such things. An excited state of affairs like that of 1825 has very frequently moral causes. Prices had been very low for some time, and were gradually rising, and the country was becoming prosperous. About that time the trade with Spanish America was supposed to hold out great hopes of profit. Then there was the re-opening of the Mexican mines. It was sort of epidemical disease that affects the country at certain periods.

3580. Are you aware that Lord Castlereagh stated in his place in the House of Commons that the Act of 1819, though right in principle, had been carried out too rapidly, and that the distress was so great that something must be done to alleviate it; and that he brought in those three measures for the express purpose of alleviating that distress?—I have no recollection as to that.

3581. Does the Bank of England now lend money on mortgage?—No; we have not, I think, lent any money on mortgage for a very considerable period. Our mortgages have been reduced. We have a very small amount now.

3582. Have not you lent money very lately upon the improvement of towns, and upon docks, and other public works?—Yes; we have lent money to corporations.

3583. On the security of the rates?—Yes.

3584. Do you not call that lending money on mortgage?—They are certainly mortgages in some sense, but we do not lend money to private persons on such security.

3585. Do not you lend for carrying on great works, such as docks, and improvements of that kind?—We lend to corporations and municipalities, and we hold railway bonds.

3586. Are not you now lending out considerable sums of money for public improvements?—Yes, we are. We seldom, however, lend money in a way which is absolutely inconvertible. Money lent for improvements is usually repaid by instalments, which is a very convenient mode of repayment to the Bank.

3587. You do not think that it at all interferes with your power of meeting the wants of the public, in the case of a pressure for bullion arising?—No, I do not; because we always hold securities of the most convertible kind to a very large amount, more, in fact, than we can ever sell.

3588. No doubt what you so lend may not materially influence your power, but does not any quantity of security that you hold that is not immediately convertible, lessen to that extent your power of accommodating the public?—Certainly; but we always have the most convertible securities to an amount greater than we ever can employ, so that our holding a certain amount of inconvertible securities, does not at all interfere with the power of the Bank to afford every accommodation that the public requires.

3589. You

3589. You have stated that you are averse to any artificial mode of interference with the currency in any way?—I am; I think the currency should be regulated entirely by natural causes.

3590. Do you call an Act of Parliament a natural cause?—Yes, if all that the Act of Parliament does is to place the transactions of the Bank under the operation of natural causes.

3591. Then why is it necessary to have an Act of Parliament; why not leave it entirely to the operation of natural causes?—I think if the question refers to the Act of 1844, all that that Act does is, to place the operations of the Bank as respects the issue of notes under the operation of natural causes.

3592. Mr. *Hildyard.*] You stated that you are averse to any relaxation whatever of the present law?—I am.

3593. You are aware that the Bank within a recent period, about 18 months, applied to the Government for leave to issue notes to the extent of two-thirds of the country bank notes which had ceased to circulate, an application quite consistent with the Act of 1844. Were you a concurring party in that application?—I did not oppose the application, but as far as the Bank was concerned, I did not think it of any value, and I feared that it might mislead the public.

3594. Were you a concurring party or a disapproving party, or was it with you a matter of perfect indifference whether the application was made or not?—The application was made in strict compliance with the Act of 1844. It was no relaxation of that Act. At the time the application was made, I was rather disposed to think that it might have the effect of holding out false hopes to the public, and that it had better not have been made.

3595. Then, if I rightly understand, you were rather a dissenting party to the application than otherwise?—I do not know that I have a right to say that; I certainly did not regard the application with much approval.

3596. Was there any opposition on the part of any portion of the Direction to that application being made?—It was a matter of discussion; there were differences of opinion upon it, as there are in deliberative bodies on most subjects.

3597. Did you consider at the time that the assent of the Government to that application strengthened *pro tanto* the position of the Bank?—*Pro tanto* it did; but the matter was of trifling importance. The effect of it was to enable a small quantity of gold to be exported.

3598. To the amount of 450,000*l.* it strengthened the position of the Bank?—To that extent it enabled the Bank to issue so many more notes on securities.

3599. We have heard a great deal about the state of things in America; the currency is a convertible currency in the United States, is not it?—Yes.

3600. Has there ever been a period in the United States when the paper currency was not convertible into coin?—Yes, several periods.

3601. How recently?—About 1837 or 1838; I believe there has been no period when it was not convertible by law; but there have been several periods when it was not convertible in fact.

3602. You mean when the issuing banks could not meet their engagements?—Yes.

3603. And when, consequently, banks that were trying to do so would become bankrupt?—I suppose so; there were a great number of banks that became bankrupt; there were some that subsequently resumed payment.

3604. Was there ever a period when a person holding a note of a bank which was not unable to pay its obligations, could not demand specie for it?—I am not sure; there may have been suspending laws.

3605. Do you know what the condition of the currency of the United States is now; whether there is any one bank like the Bank of England, holding any connexion with the State, and issuing notes?—There is no national bank. There are, I think, some State banks, but I do not exactly know what the connexion of the State with any of the great banks is; I apprehend that the paper currency of the United States is now supplied by large chartered banks acting under different laws; I rather think that in the State of New York all issuing banks are compelled to give security; whether that is the case in the other States I do not know.

3606. Has there ever been a period when the banks could by an over-issue so far depreciate the currency as to expel bullion from the country?—I believe that there have been periods when the issues of the banks have gone a great way to expel the bullion.

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3607. Have not you just told me that there never was a period when a person holding a note of a bank that could meet its obligations could not get specie for it?—That may have been the case; I believe that there have been periods when the operations of the banks have had very much the effect of denuding the country of specie.

3608. But if there never was a period when a person holding a note of a bank capable of meeting its obligations could not get bullion for that note, I again ask you, whether there ever was a period when the banks by over-issue have so depreciated the currency as to expel the bullion altogether from the country?—Certainly not altogether.

3609. Was not the crash in 1837 the result of a most inflated state of credit in America?—Yes, most inflated.

3610. Did I rightly understand you to say, that it is your belief that, but for the Act of 1844, we should have had a crisis resulting out of the drain that has now set in for some time in this country?—I cannot say that positively; still I believe that, but for the Act of 1844, the contraction that has taken place within the last few years would have been much less regular and steady, and that the bullion in the Bank would have been reduced to a much lower sum, and that there would have been great risk of a panic. Of course, one cannot absolutely say how far the evil might have gone.

3611. The Act of 1844 gave you no new powers, but merely imposed restraints. Assuming, then, that the Directors, without the Act of 1844 having passed, had conducted themselves as they have been doing during this period, namely, by acting on the same rules as to the class of bills they discounted, and the rate at which they discounted them, would not things have gone on precisely as they have done under the action of the Act?—If the Bank and all other issuers, not being restrained as they were restrained by the Act of 1844 and 1845, had acted precisely as they have done under the Act of 1844 and 1845, I presume the state of things would have been the same as we have seen.

3612. Then, as you got no new power from the Legislature by the Act of 1844, is it not an impeachment of the present constitution of the Bank direction, rather than a proof that the Act is a necessary Act, to say that, if the Act had not been passed, the Bank direction would not have conducted themselves as they have conducted themselves under the compulsion of the Act?—I believe that what I call an artificial regulation of the currency, in opposition to the present regulation of the currency, which I consider natural, is a task which no human sagacity, under actual circumstances, could carry out beneficially to the public.

3613. You believe that the Bank Direction, as at present constituted, and with the experience they have had, would not have conducted themselves as they would have done under the compulsion of the Act of 1844?—I cannot thoroughly persuade myself that they would have so conducted themselves.

3614. Then, I ask you is not that an impeachment of the mode in which the Bank Direction is at present constituted?—No, I think not. I think that the proper regulation of the Bank issues cannot be insured by any amount of experience or knowledge of principles on the part of the Directors.

3615. But the principle is a very simple one, the principle being that they shall hold bullion for every note issued, beyond a certain amount of notes issued on securities. If the Bank Direction had chosen to take that as their principle, and guided themselves accordingly, could they not have done so without an Act of Parliament to compel them do so?—I think not; they would have been interfered with by the country issuers, and the position of the Bank would have been far less favourable in other respects than it has been.

3616. You think that the Bank of England could go on without the Act of 1844, but for the interference of the other issuers?—No, I do not think that the Bank could go on advantageously without the Act of 1844, even irrespective of the country issuers.

3617. Let us confine our attention to the Bank of England. Do you think that the Bank Direction, as at present constituted, have sufficient intelligence and firmness to act upon the principle of the Act of 1844, whether they were compelled to do so by Act of Parliament or not?—I must say I do not think that the Bank Direction, without the Act of 1844, would have acted precisely as the Act of 1844 has compelled it to act.

3618. Would that difference in action result from the want of intelligence to carry

carry out that simple principle, or from want of firmness to do so?—I think the influence of the public would probably interfere with the strict maintenance of the principle. Of course we might keep our accounts precisely as we keep them now, but I think we should require the protection of the law to enable us to act as we are now compelled to do.

3619. You think that the Bank Direction, as at present constituted, would not have the firmness to resist the pressure out of doors?—That is a consideration that weighs greatly with me. Still, I am of opinion that the Bank Direction would evince as much firmness as could be expected from any other body of men.

3620. What would you say as to the next four years?—I should have no confidence even for the next four years. Supposing I had myself the whole management of the Bank, with the opinions I hold, I should still wish to have the protection of the Act of 1844.

3621. You think that no amount of experience, and no conviction as to the course you ought to pursue, would enable you to persevere in such a course without an Act of Parliament, saying you shall act so and so?—The Act of 1844 is a protection for us.

3622. Mr. *M. T. Smith.*] It saves you so much responsibility?—It does; I think the pressure upon the Bank under certain circumstances, without the Act of 1844, would render the maintaining of what I think a perfectly sound course impossible.

3623. Mr. *Hildyard.*] Then I again ask you, is not that an impeachment of the mode in which the Bank Parlour is at present constituted?—I must leave the Committee to decide that for themselves.

3624. Is not the result to which it comes, that the Bank Parlour is constituted so as to be unable to conduct safely the monetary operations entrusted to it, unless it is under the restraint of an Act of Parliament?—I hope and believe that the Bank Parlour will show as much firmness and intelligence at all times as any other body of men who are likely to be called upon to discharge similar functions.

3625. You stated that, as far as your own acquaintance is concerned, a large proportion of them entirely concur in the policy of the Act of 1844?—I think so.

3626. In saying that, are you speaking of the mercantile world at large, or only of those who, like yourself, take certain strong views with respect to the currency, and agree in thinking the Act of 1844 as perfect as you represent it to be?—I am not a merchant myself, but many of my intimate friends and closest associates are merchants, and I find a very large majority of them are satisfied with the Acts of 1844 and 1845, and are very anxious that they should be renewed without any very material alteration.

3627. Can you explain why the Act of 1844 was made a temporary Act for 10 years?—I think that was a matter of policy on the part of Sir Robert Peel. He thought that there would be less opposition if the law were not made permanent.

3628. You are not aware whether it was done partly with the object of re-considering the policy of that Act, upon seeing whether it was found to answer as well as was expected?—I presume that was partly the view with which it was made temporary.

3629. Mr. *Hankey.*] With regard to the application to which Mr. Hildyard has referred, which was made by the Bank Directors to increase their issues upon securities to the extent of two-thirds of the lapsed issues of the country bankers, are you not aware that the Bank Directors considered themselves only as necessary agents to make that application, and that it was really made at the request of the Government, and by no means at the request of the Bank Directors?—That, certainly, was my opinion about it.

3630. Do you not remember that that application was made at the request of the Government?—I believe so; I know that I was not at all desirous that the application should be made.

3631. And that the Bank Directors were by no means desirous of having the measure carried into effect, but that they merely consented to lend their name to the application, according to the words of the Act of Parliament, in consequence of a request from the Government?—I do not exactly know what may have taken place between the Government and the Chairs of the Bank. I have already stated that I considered it a measure of very small importance, and that I thought

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I thought at the time it would do harm rather than good, in the then existing state of the public mind. I thought it tended to encourage erroneous views, and I personally regarded the application with no friendly eye.

3632. *Chairman.*] The correspondence between the Government and the Bank, that is, between myself and the Bank, was presented to Parliament and published, was it not?—I suppose it was.

3633. Mr. *Puller.*] You said, in answer to a question by Mr. Spooner, that you thought that the currency ought to be so constituted as to be regulated by natural laws; now a purely gold currency would be regulated by natural laws, but with respect to a mixed currency of coin and paper, is not it the fact that such a currency, being an artificial currency, cannot possibly be regulated simply by natural laws?—There might be a law declaring that certain bodies, or everybody might issue bank notes under an obligation to pay them in gold. I suppose that would be considered artificial.

3634. When you said that you thought a mixed currency ought to be put under the regulation of natural laws, I apprehend what you meant was, that the regulations ought to be such as would make it fluctuate exactly in the same way as a metallic currency would, which is under natural laws?—Exactly so.

3635. You stated, that you consider that the rate of interest depends, not upon the amount of notes, but upon the supply and demand of capital. Will you state what you include in "capital," besides notes and coin?—I believe that the ordinary definition of "capital" is commodities or services used in production.

3636. Do you mean to include all commodities in the word "capital," when you speak of the rate of interest?—All commodities used in production; raw materials, machinery, tools, the food and clothing of labourers, &c.

3637. You include all that in the word "capital," when you speak of what regulates the rate of interest?—Yes. Supposing a cotton manufacturer to want cotton for his factory, the way in which he goes to work to obtain it is, probably, by getting an advance from his banker, and with the notes so obtained he goes to Liverpool, and makes a purchase. What he really wants is the cotton; he does not want the notes or the gold, except as a means of getting the cotton. Or he may want the means of paying his workmen; then again, he borrows the notes, and he pays the wages of the workmen with the notes; and the workmen, again, require food and lodging, and the money is the means of paying for those.

3638. But interest is paid for the money?—It is, in the first instance; but take another case. Supposing he buys the cotton on credit, without going to the Bank for an advance, then the difference between the ready-money price and the credit price at the time at which he is to pay for it is the measure of the interest. Interest would exist if there was no money at all.

3639. An opinion was expressed to the Committee by Mr. Mill, that the Act of 1834 has operated disadvantageously to the public in this way, namely, that in times of panic and discredit it prevented the Bank from coming to the aid of the public, and supplying by its own credit the contraction of credit which arose out of the panic. Is that your opinion?—I think the Act of 1844 will meet all cases, except those of so extraordinary a character, that they cannot be foreseen and provided against beforehand; and I think that it would be very unwise to attempt to legislate for very exceptional cases. They differ so much in their conditions, that they should always, I think, be met by extraordinary measures. Any attempt to provide for them beforehand would do mischief in nine cases out of ten. It is far better to leave them to be dealt with as the circumstances of each case may require. There would be great risk of the exception becoming the rule.

Martis, 7° die Julii, 1857.

MEMBERS PRESENT.

Mr. Cayley.	Mr. Hope Johnstone.
Mr. Ennis.	Mr. John Lewis Ricardo.
Mr. Fergus.	Mr. Spooner.
Earl of Gifford.	The Chancellor of the Exchequer.
Mr. Gladstone.	Mr. Tite.
Sir James Graham.	Mr. Weguelin.
Mr. Hankey.	Mr. Wilson.
Mr. Hildyard.	Sir Charles Wood.

THE RIGHT HON. THE CHANCELLOR OF THE EXCHEQUER, IN THE CHAIR.

The Right Honourable Lord *Overstone*, attending by permission of the House of Lords, Examined.

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3640. *Chairman.*] I THINK that your Lordship gave evidence before the Select Committee of the House of Commons in 1840 on Banks of Issue?—I did.

3641. In that evidence did you express opinions with respect to the question of currency, similar to those upon which the Act of 1844 was founded?—I did.

3642. Under those circumstances, perhaps, I need scarcely ask you whether you approve of the policy of the Act of 1844?—I have always approved of the policy of the Act of 1844, and that approval has year by year gained strength by the strong verification of the soundness of its principles, which has been derived from the consecutive course of public monetary events.

3643. You also gave evidence before the Committee of Commercial Distress of this House in 1848?—Yes.

3644. You probably retain the opinions now which you expressed before that Committee with respect to that particular crisis?—I have never seen any reason to alter any of the opinions which I have ever expressed upon the subject of the monetary affairs of the country, from the commencement in the year 1837 down to the present time; every opinion which I have expressed consecutively, appears to me to have been fully verified by the course of public events.

3645. Confining ourselves at present to the period since 1847 and 1848, do you think that subsequent experience has confirmed your views with respect to the sound policy and beneficial operation of the Act of 1844?—Undoubtedly; the whole course of events since 1847 has year by year strongly confirmed in my judgment the opinions which I have always expressed respecting the principles upon which the Act of 1844 is founded, and I have the strongest grounds for saying that those opinions have year by year been growing greatly throughout the whole mass of the public, and that the course of events during the last two or three years has created a very strong feeling in favour of the Act of 1844, where there was previously considerable misgiving respecting it. I think that a strong practical proof of that fact is to be found in the opinions which are now before the Committee on the part of the whole body of the Bank Directors, persons who are entrusted with the administration of that Act; who have had to administer it during a period of peculiar trial, singularly calculated to draw out the merits or the defects of the Act whichever they might be; and the Committee have now before them, what may fairly be called the unanimous declaration of the whole body of the Bank Directors, that they think that that Act has worked beneficially, that it is sound in principle, and that it ought to be renewed; an opinion in which I entirely concur.

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3646. Is it a correct description of the principles of the Act of 1844 to say that, with respect to the Bank of England, the main principles are the limit as to the 14,000,000*l.* of issues against securities, with the ulterior issues against bullion, and the separation of the departments; and with regard to country banks of England, the limitation of their issues according to the average of their circulation up to a certain time, and the prohibition of the establishment of new country banks. Do you conceive those to be the three main principles of the Act?—I understand the great principle of the Act of 1844 to be this—to make the amount of paper money in the country conform in its variations to what would be the variations in the amount of a metallic currency, and that all the other provisions of the Act are ancillary to the carrying out of that great principle. The main ancillary provision I understand to be the separation of the departments. The first object of that separation I understand to have been to effect, with regard to paper money and banking business, that complete separation, both in accounts and in fact, which necessarily exists in reason and in principle. The second object of that separation I understand to have been, to protect the public from those misconceptions and errors which are necessarily generated by a suppression of the banking reserve, and of all knowledge of the fluctuations in the amount of that reserve. The third object of the separation of the departments I understand to have been to compel both the Bank of England and the public to form a more definite and correct estimate of the true limits of the legitimate resources of the Bank of England; and upon these three great principles to found a rational and honest administration and management of paper money, rendering the separation of the departments ancillary to the great principle of the limitation of the amount of paper money in conformity to the fluctuations of the bullion. Those I consider to have been the objects of the separation of the departments; and those objects I conceive to have been completely effected by the separation of the departments.

3647. Do you consider the separation of the Issue and Banking Departments of the Bank of England to be founded upon the principle that the business of issue and the business of banking are in their nature distinct?—Undoubtedly; it is impossible to entertain any other view of the matter.

3648. What in your Lordship's view are the main causes of the fundamental distinction between the business of issue and the business of banking?—That question necessarily raises the great question, what is the principle upon which the management of the paper money of the country ought to be regulated. When I first heard that it was intended to call me before this Committee, I, for my own satisfaction, endeavoured to commit to writing a few of the heads of the subject as they presented themselves to my mind, and in the form in which I thought they must necessarily come under the consideration of this Committee. With the permission of the Committee, I will read those heads to them, because I think they are calculated to open the whole subject, and in the form in which, I think, it ought to have come under the consideration of this Committee. I have stated them shortly: "First, the supply of the current coin, that is, the money of the realm, ought to be entirely separated from banking business, which is simply trading in money, borrowing at a low rate and lending at a higher rate. Second. Bank notes should be treated as tokens or representatives of the current coins, that is, of the metallic money of the country. A 5*l.* bank note is, in fact, a token or certificate representing five sovereigns; and no banker or private individual ought to be allowed to issue such tokens or certificates any more than they are permitted to issue the coins of the realm. The notes or certificates ought to be issued as the money, whether copper, silver, or gold, is coined, under strict provisions of law, and by an authority, such as the Mint, established by law, and subject to strict regulations laid down in that law." Upon this point I beg to quote a passage from the celebrated sub-treasury speech of Mr. Daniel Webster, the American senator, and an authority in the United States, the very highest that can be referred to upon questions of this nature. It is this: "The circulation of paper tends to displace coin; it may banish it altogether. At this very moment it has banished it." I would ask the Committee to mark well that fact. There is a distinct statement of the entire banishment of coin from the United States by paper money, payable to the bearer on demand, and issued in obedience to what were deemed to be the wants of the public. "If others may drive out the coin, and fill the country with paper which does

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does not represent coin, of what use is that exclusive power over coins and coinage which is given to Congress by the constitution? Wherever paper is to circulate, as subsidiary to coin, or as performing in a greater or less degree the function of coin, its regulation naturally belongs to the hands which hold the power over the coinage. This is an admitted maxim by all writers; it has been admitted and acted upon on all necessary occasions by our own Government, throughout its whole history." I go on: "Third. The coins are maintained at their proper amount and value by virtue of the intrinsic value of the metal of which they consist. The paper notes or certificates ought to be preserved at their proper value by making them, under all circumstances, conform in amount to the coins or metallic circulation which they represent. Fourth. The sole privilege of coining money, whether copper, silver, gold, or paper, ought to be vested in one institution, established for that exclusive purpose, and subject to strict regulations of law. No share of such privilege ought to be conceded in any form to banks or to private individuals. Fifth. All profit arising from the issue of paper certificates, that is bank notes, in place of coin of intrinsic value, ought to be appropriated to the public exchequer, and ought not to be diverted to the benefit of banks or any other concerns. Sixth. Perfect freedom of competition should be established in the business of banking, correctly understood, and effectually distinguished from the function of coining or from that of issuing paper tokens or representatives of coins, that is bank notes, which, in fact, is coining under a form peculiarly susceptible of abuse, because the undue issue of paper notes is not restricted by that intrinsic value which effectually regulates the issue of metallic money. In support of this principle it is satisfactory to be enabled to appeal to the authority of Mr. Tooke, an authority held in peculiar estimation by many who dissent from my views." These are his words: "The privilege of issuing paper money is a delegation of that which is universally considered as a privilege residing in the State." Again, he says, "It strikes me to be a most extraordinary circumstance connected with the country issue of paper money, that whereas Government invests with a number of sanctions the privilege of issuing coin upon the intrinsic metal, by which nothing is to be gained, it should allow individuals the privilege of coining it upon a material which in itself is worth nothing, and consequently upon which there is a very great gain, by the substitution of it for the other, which is of intrinsic value." "Having arrived at a distinct and correct understanding of the true character and function of paper money, *i. e.*, of bank notes, that they are certificates or representatives of bullion, to be kept at their proper amount by positive regulation of the quantity issued, as the coin would be necessarily preserved at its proper amount by the regulation which arises from its intrinsic value, the next important point for consideration is the extent to which this principle is recognised and carried out in the provisions of the Act of 1844. By that Act a positive limit is fixed to all the country issues. The fluctuations therefore in the amount of paper money are necessarily thrown upon the notes of the Bank of England exclusively, and the amount of the issues of Bank of England notes is made to vary with the bullion. By this means effectual security is obtained that the amount of paper money in the country shall at all times conform to what would be the amount of a metallic circulation. Of this there can be no doubt. The paper money of the country, under the Act of 1844, conforms strictly in amount, and consequent value, to a metallic circulation; those fluctuations of amount, and those only, which would occur under a purely metallic circulation, can and will occur under our present mixed circulation of gold and paper, as regulated by the Act of 1844. This being the case, it only remains to consider what has been the practical result of the adoption of these principles. The effectual protection of the bullion reserve was the primary object and purpose of the Act; this has been fully accomplished. The bullion has been subjected to two severe drains, in 1847, and again in 1856-57; but in neither case has it been reduced to an unduly low amount—at no time, I believe, has it fallen below 8,000,000 *l.* Has this result been accomplished by an improper injury or sacrifice of our trading and commercial interests? For an answer to this question we may turn to the reports of the Board of Trade, showing, during the 13 years in which the Act has been in operation, an increase of imports and exports from 45,000,000 *l.* to 120,000,000 *l.* We may also appeal to the universal recognition that the last year, although dedicated to the adjustment of heavy

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war expenditure, and exposed throughout to severe pressure by adverse exchanges, has been nevertheless a period of prosperity almost without example. But some useful and very pointed instruction may be derived from a short retrospect of the progress of our monetary legislation. In 1819 cash payments were resumed, that is, the bank note was declared to be at all times convertible. But the means of securing that convertibility were left to the free discretion of those who were entrusted with the management of the Bank of England. No positive regulations were laid down for their guidance, or for the security of the monetary system. Under this state of the law three successive crises occurred, each of them characterised by the reduction of the bullion to a very low amount, by imminent danger to the convertibility of the notes, by universal alarm on this point, and by a generally disgraceful state of the monetary system. The public became dissatisfied, and very reasonably so; some more definite and scientific system for the regulation of the paper money of the country was demanded. That practical and sagacious statesman Sir Robert Peel applied his mind to the subject. He at once grasped the true character of the paper bank note. He saw that if it was to be convertible at all times into gold, it must be treated as the direct representative, or I may say as the shadow, of the gold coin; and from this it followed as a necessary consequence, that it must at all times be preserved at what would be the amount of a gold circulation. To secure this purpose, it became obviously necessary to separate the accounts, that is, to establish an effectual distinction between the regulation of the amount of paper money, and the conduct of banking business; to render them as separate in form of account, and in fact, as they are really separate in principle; to subject the paper money to positive regulation by law as regards the fluctuations of its amount, whilst the conduct of banking business is left subjected to the principle of free competition, and personal discretion and responsibility. Upon this principle, and with this view, the Act of 1844 was passed. The great feature of this Act is the separation of the accounts which regard issue of paper money from those which regard banking business, for the purpose of subjecting the fluctuations of the amount of paper issues to positive regulation by law. The result has been already described—perfect success in protecting the bullion from improper diminution of amount, perfect protection from the evils and disgrace which marked former periods of trial, 1783, 1793, 1825, 1837, 1839; and at the same time progressive developement of national prosperity to an extent wholly unexampled. But from 1819 to 1844 there existed a class of persons who on all occasions, and in every possible form, bitterly denounced the principle of the resumption of cash payments, and used every means to effect the repeal of the Act of 1819. That position having become utterly untenable through the progress of public intelligence, the battle is now urged against the Act of 1844, the measure which had become necessary to give reality and practical validity to the Act of 1819. The provisions of that Act we are told are absurd and useless. Bank notes, forsooth, cannot be issued in excess by a bank; restriction of the amount of paper notes issued by a banking concern is impossible through the mere will of the issuer; separation of the accounts is deceptive, and all that relates to issues must again be mixed up in one account with all that concerns banking; we must return to a state of monetary chaos. Each of these fallacies, extravagant as they are, must, I suppose, be subjected to a separate and full examination. It may be sufficient now to observe, that these provisions, the separation of the accounts and the positive restriction of the amount of paper issues, constitute the only real and effectual distinction between the monetary difficulties and dangers which attended every period of drain previous to 1844, and the striking contrast which the subsequent period presents. The proposal to repeal these provisions is in fact a proposal to return to our former state; to substitute the exhausted bullion, the danger to convertibility, and the public alarm on the subject, which we too often experienced previously to 1844, for the exemption from these evils, and the undoubted security of the bullion reserve which we have enjoyed under our present monetary legislation." That expresses my view of the question for the consideration of which I apprehend this Committee is summoned.

3649. It is an undoubted fact that the bullion reserves of the Bank since 1844 have been greater than they were in an equal period before 1844, whether we look to the average, or whether we look to the minimum. Different opinions have been expressed to this Committee as to the cause of that increase. Some

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persons have expressed an opinion that it has been owing to the operation of the Act of 1844, and others that it has been due to natural causes, and particularly to the increased production of gold. What is your Lordship's opinion on that subject?—You will allow me to remark at the very outset of that question, that I do not consider the bullion as lying in the Bank of England. The bullion now lies in the Issue Department, which is nothing more than a department of the State, worked mechanically and clerically by the clerks of the Bank of England; but it is essentially a department of the State. The bullion in the Bank of England I apprehend to be altogether a deceptive form of expression, against the use of which I must, at once, as preliminary to the whole of this examination, enter my protest. With regard to the facts of the direct effect upon the amount of bullion in the Issue Department produced subsequently to 1844, and previously to 1844, the object of the regulations of 1844 was not to secure the maintenance generally of a much larger amount of bullion than there was before; but to protect the bullion from the possibility, under any circumstances whatever, of falling below a safe amount. That effect has been completely produced. I understand (and I confess I cannot suppress the expression of my astonishment at hearing it) that it has been stated that that effect is attributable entirely to the gold findings, and not to the provisions of the Act of 1844. I apprehend that to be one of those random assertions, of which many are frequently thrown out upon the subject of currency questions, unsupported by any general reasoning, and unsupported by any appeal to facts. The phenomenon before us is this, that under two separate periods of trial, the bullion in each case has been reduced to the lowest amount which the Act will permit, and that amount on both occasions proves to be somewhere about 8,000,000*l.* Now, if that had been the result of the gold-findings, I apprehend that those amounts would have been very different. The gold-findings in 1847 had not been developed to anything like the extent to which they have been in 1857; and if the gold-findings are the true cause of our bullion never sinking below 8,000,000*l.* in 1847, by parity of reasoning they ought to have prevented its sinking below double that amount in 1857, the gold-findings having been doubled in their extent in the meantime. But in the next place, these gold-findings have not protected this country from two very severe drains of bullion. Upon what ground of reason can it be asserted that whilst they fail entirely to protect the country from a severe drain of bullion, yet they are the efficient cause of a considerable store of bullion being preserved in the country?—Again, if you assign a cause, you must expect phenomena as widespread as the action of the cause. These gold-findings are operating over the whole world. Have they produced a great augmentation in the bullion reserve of all the countries in the world? I apprehend the phenomenon to be directly the contrary of that fact, that there has been a very severe pressure upon the store of bullion in all the other great exchange countries of Europe; and I cannot conceive a fact more overwhelmingly conclusive, if it be a fact, than that which has been stated, as I understand, before this Committee by one of the favourite witnesses of this supposed doctrine. He has stated, I must say, I think with great boldness of assertion, but he has stated before this Committee, that the Bank of France was compelled by artificial means, and by purchases at an excessive price, to work 70,000,000*l.*, 80,000,000*l.*, and he expresses his confident opinion, as much as 100,000,000*l.* of gold into the stores of Paris; not put there by gold-findings, but put there, according to this statement, by very extraordinary and unusual processes on the part of the Bank of France; and he concludes by saying that at last the store in the Bank of France was less than it was at the beginning; and this he illustrates by the old simile, that it was putting water into a bucket with a hole in it. Where were the gold-findings then? If the gold-findings are the true cause of the safety of our bullion reserve in this country, how came they not to have protected the bullion reserve in other countries? I apprehend the statement to be altogether a random assertion, with neither facts nor reasoning to support it; and that the plain, clear, and distinct principle of the question is this, that by having limited the paper money, so that it has fluctuated with the bullion, as the bullion has gone out the money of the country has been diminished, until it reached a certain point below which the national wants and necessities of the country would not permit it to be further diminished. By that means the money

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of this country was increased in value, so that it no longer became advantageous to send commodities to this country; but money was the best remittance to send to this country, and by that means the store of bullion was immediately replenished. It is the plain result, from the operation of the principle with regard to the interchange of the precious metals throughout the world, which has been recognised and acknowledged by every authority which has ever written upon the subject.

3650. In your evidence in 1848, in answer to Question 5142, you make this remark in contrasting the state of things before the Act of 1844 and the subsequent state of things; you say, "Under the former system the Bank was under no necessity of taking any precautionary measures until the bullion was reduced to a very low amount. Under the Act of 1844 the Bank is obliged to take precautionary measures when the banking reserve is reduced to a low amount. Now the banking reserve is reduced to a low amount at a much earlier period than the bullion is reduced to a low amount; and therefore the Act of 1844 places the Bank under the necessity of acting protectively at a much earlier period than it was compelled to act under the previous system. In so far the Act of 1844 has compelled an earlier action, and in addition to its compelling an earlier action, as that earlier action must necessarily take place with a higher amount of gold, it protects you from all those further inconveniences which attended the feeling of apprehension with regard to a deficiency in the actual store of gold. That seems to me to be the difference between the Act of 1844 and of the previous system." Does that statement appear to you to describe correctly the manner in which the Act has operated since the time when you gave your evidence?—Perfectly. If I had to state the case over again I should beg to be allowed to read those words: I see nothing whatever to be altered in any shape or form. As it appears to me, it is only reiterating the same statement in other words to say that previously to the Act of 1844, as bullion went out, the place of that bullion was taken by paper notes issued. The consequence of that was, that the circulation, in other words the money, of this country was kept at an undiminished amount, when the action of the exchanges required the decrease of it. Under those circumstances gold would continue to go out, and would have continued to go out, until it was finally exhausted, had it not been that when it was known that the gold was reduced to a very low amount, then the public became alarmed, and the Bank became alarmed, and through that alarm they resorted to precautionary and corrective measures. Under the Act of 1844, which has developed that most essential feature in the monetary system of the country, the banking reserve, we now all know that as the bullion goes out, either the notes, which are not in the Bank till, or the notes which are in the Bank till, must undergo a corresponding decrease; and that being the case, the corrective influence upon the action of the Bank, and upon the feeling of the public, is brought into play at the very commencement of the evil.

3651. Then according to your view, the effect of the present Act is to induce the Bank of England to take precautionary measures earlier than they might do if the Act did not exist?—I think that that is rather an objectionable mode of stating the operation, though I do not mean to say that it is absolutely incorrect. The operation of the Act of 1844 is this, that the Bank notes, in other words the money, of the country must decrease as the drain of bullion goes on. That decrease in the money of the country must augment its value; that augmentation of its value must produce two effects; one is, that it causes a temporary rise in the rate of interest to which the Bank must conform; and the other is, that it induces the bullion merchants of this country to write to their correspondents abroad, to say, "Money in relation to all other things has become more valuable in this country than it was, therefore in your transactions with us, remit money in preference to other things," and in that way the exchanges are soon rectified.

3652. It is perhaps scarcely necessary to ask your Lordship whether you accede to the opinion that the Bank has the power of regulating the rate of discount by its own action; whether it can, in fact, be said to make the rate of discount?—If we are to go into the question of the rate of discount, it will, perhaps, involve many considerations and explanations. The rate of discount is the value of money, and that is regulated by one of two things. Generally in all its great and permanent fluctuations, it is really an alteration in the value of capital,

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in some of its minor fluctuations, minor as to extent and as to duration; it may be the result of a decrease in the quantity of money. All great fluctuations in the rate of interest (and I am sure the more the question is watched and examined and sifted in detail, the more strongly that fact will come out), whether as to extent or as to duration, are really the result of an alteration in the value of capital. The alterations in the rate of interest which arise from any alteration in the quantity of money in the country are very small, as regards their magnitude or their comparative duration. That they are very frequent, which I understand has been one of the objections raised, is in reality the very essence of their utility. The fluctuations in the rate of interest produced by changes in the amount of money in the country, are practically like the incessant oscillations of a tight rope dancer, by which he keeps the balance of his position apparently undisturbed, and that is really the character of the slight but very continuous oscillations in the rate of interest arising from the alterations in the quantity of money in the country. All the great fluctuations in the rate of interest have reference to an alteration in the value of capital.

3653. I think Mr. Newmarch and Mr. Mill have expressed an opinion to this Committee that the separation of the departments of the Bank of England has been the cause of more frequent and more inconvenient variations in the rate of discount than would have occurred if that separation had not existed; do you see any force in those arguments?—No, I see no force whatever in any of those arguments; I believe them to be not arguments; they are assertions, and I believe that they are assertions directly in the teeth of, and inconsistent with the facts of the case. It is a question more of absolute fact than of reasoning; I have already stated, and perhaps it is better to restate, for really the difficulty of hammering truth into the public upon this subject is something very disheartening, that the fluctuations in the rate of interest arise from one of two causes; an alteration in the value of capital, or an alteration in the amount of money in the country; all great fluctuations of interest, great, either in their duration or in the extent of the fluctuation, may be distinctly traced to alterations in the value of capital; two more striking practical illustrations of that fact cannot be furnished than the rise in the rate of interest in 1847, and during the last two years; the minor fluctuations in the rate of interest which arise from an alteration in the quantity of money are small both in extent and in duration. They are frequent, and the more rapid and frequent they are, the more effectual they are for accomplishing their destined purpose without serious inconvenience to the public; with regard to the fact that the fluctuations in the rate of interest have been greater subsequently to 1844 than they were previously to 1844, I can only appeal to facts to settle that question; and the facts I am perfectly ready to lay before the Committee, and to trace the fluctuations of interest for a very long period, from the commencement, I may say, of our monetary system, to the present time. I begin with 1783, and quote the authority of Mr. Tooke: "This contraction of the currency was attended with a great rise in the rate of interest; consols fell from 68 to 54; omnium from a premium of 8 per cent. to below par. Every one, says Chalmers," (therefore there is Chalmers' authority as well as Tooke's), "must remember how impossible it was to borrow money on any security for any premium." The next period was 1793, and upon that subject I quote from Macpherson's well known Annals of Commerce. "Many houses of the most established credit failed. Houses of undoubted solidity, possessing ample funds, which actually did in a short time enable them to pay every shilling of their debts, were obliged to stop payment. Some bankers, who, almost immediately on recovering from the first panic, resumed the regularity of their payments, were obliged to make a pause. Many, whom the temporary assistance of even a moderate sum would have enabled to surmount their difficulties, could not obtain any accommodation." In 1797, I quote again Mr. Tooke, "The effect of this extreme contraction was felt chiefly in the money market; Exchequer bills bearing 3½ *d.* per day, were sold at 60 *s.* and 70 *s.* per cent. discount, and it was said, that in some instances sales were made at 5 *l.* discount. Navy and victualling bills were also at an enormous discount, and the 3 per cent. Consols fell below 50. Mercantile bills, excepting such as came within Bank time and regulations, were hardly negociable at all, or were subject to heavy commissions, by way of evading the operation of the Usury Laws." Of course in measuring the rate of interest previously to the repeal of the Usury Laws, it will be borne in mind that the rate of discount avowedly could not

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exceed 5 per cent., but practically, it went far beyond it. In 1799, "the rate of discount at Hamburgh rose to 15 per cent., at which only the best bills, and to a very limited amount, could be made available." That is from Mr. Tooke's History of Prices. Now we come to the year 1825. The first evidence is a letter from an eminent merchant in New York, quoted by Mr. Tooke in his pamphlet, in 1826: "No bill of exchange can be sold here but on credit of two, three, or four months, and such is the precarious state of commerce, that such payments are hazardous in the extreme, and paper discounted at from 1½ to 3 per cent. per month." That is at a rate of from 18 to 36 per cent. per annum. This, the Committee will observe, occurred under a system of free competition of issuing banks, subject only to the obligation of payment in specie. Again, Mr. Tooke says in his pamphlet, "the operation of the Usury Laws may be distinctly traced in a great aggravation of the distress among merchants and bankers during that critical period. Numbers who would gladly have given an advanced rate of 8 or 10 per cent." ("gladly have given," observe) "were driven to sell stock and goods at a loss of 20 or 30 per cent. for cash, compared with the price for time. It is a matter of notoriety that extensive sales were actually made of stock at that difference, and it is within my own knowledge, that sales of goods for immediate money were made at a still greater sacrifice." Again he says, "One of the great difficulties which the Directors of the Bank of England have experienced in the regulation of their issues has arisen from the uniformity of the Bank rate of discount, while the market rate of interest has been subject to frequent and sometimes great variations." That is from Mr. Tooke's pamphlet of the year 1826, page 75, and I see that I have made a note, "Read the whole of this passage." He says again, "The only mode of obviating the inconvenience hence arising and of regulating the circulation upon correct principles, would have been by frequent and sometimes great alterations in the rate of discount." That is Mr. Tooke's own recommendation at page 78. Then again in the third volume of Mr. Tooke's History of Prices there is a whole section devoted to the dissection and exposure of the fallacies of a speech of Mr. Hume, who complained of the high rate of discount, and of the variations by the Bank. It would take too much of the time of the Committee to read it now; but I should really like to have the whole of that section put on the Minutes; it is a very remarkable section, in which Mr. Tooke in his usual off-hand and summary manner disposes, with a considerable expression of contempt, of the whole speech of Mr. Hume; the purport of which was to complain of the fluctuations in the rate of interest and the rate of discount by the Bank. It is an important section, and well worth putting on to the notes of the Committee. Having traced the fluctuations of the rate of interest so far, I took some pains to get as far as was possible the rate of interest in the city, and I have here a statement of the fluctuations in the rate of interest allowed by brokers upon loans at call, and I think the Committee will see that the fluctuations before 1844 were, to say the very least of it, quite to the extent of anything since 1844, and I believe much greater. This is extracted from my own concern. In 1821, the latter part, the rate of interest upon loans at call was 5 per cent.; in 1822, the early part, it was 2½ per cent.; again, in 1824, in the early part, the rate of interest was 2 per cent.; in 1825, in the early part, it was 5 per cent.; in 1826, in the middle part, it was 5 per cent.; and again, in 1827, in the middle part, it was down to 2 per cent.; in 1838, in the middle part of the year, it was 2½ per cent.; in 1839, in the latter part, it had risen to 5½ per cent.; then the partial suspension of the Usury Laws had begun to come into action. In 1840, the latter part, it was 5 per cent.; in 1843 it was 2 per cent.; and Mr. Hubbard himself has given a statement in his evidence, which I believe to be perfectly correct, that the value of money in 1843 fell quite as low as 1½ per cent. I can state, of my own personal experience, that I have discounted millions of bills under 2 per cent. Then again, that is perfectly in harmony with the price of Exchequer bills. I have a statement of the fluctuations in the price of Exchequer bills. The price of Exchequer bills in 1825, in January, was 62 *s.* premium; in December it was 85 *s.* discount. Now the Committee will remember that the premium and the discount upon an Exchequer bill are in reality the rate of interest for a small portion of the year; because at the end of the period for which the bill runs it commands par from the Government. In 1826, in April, it had gone up again to 10 *s.* premium; then again in 1838, in October, Exchequer bills were at 70 *s.* premium; in 1839, in October, they were at 6 *s.* discount;

discount; and in 1844, in October, they had again gone up to 79 *s.* premium. I apprehend that, in the teeth of those facts, it is quite idle to talk of increased fluctuations in the rate of interest caused since the Act of 1844, as compared with the state of things which occurred in every period of pressure previous to 1844.

3654. If a speculative spirit is rising, and there is a demand for capital greater than the means of satisfying it, and the consequence is that the rate of discount rises, and thereby causes a pressure upon trade, is it at all clear that that pressure is an evil and not a good?—It is perfectly clear that that pressure is salutary in its influences, if there be an undue tendency to enter into transactions beyond the extent to which capital will support them; the increased demand for, and therefore the increased value of, capital which so arises, ought to be left to produce its natural effects, which natural effects are necessarily salutary and wholesome effects.

3655. If that pressure did not arise at an early period the result might be that there would be a commercial crisis, might it not?—Undoubtedly; that is a principle intimately connected with all our great commercial crises; first of all, from some of those circumstances which affect the sympathies of mankind, a speculative spirit arises; that creates a demand for money, money being merely the special instrument of obtaining capital. If that money is allowed to rise in value, in proportion to the demand for it, the correction follows in a gradual and natural and wholesome form; but if that demand for money is met by increased issues of paper, and when I speak of increased issues of paper, I hope I shall be clearly understood to mean either an absolute increase in the amount of money in the country, or the maintenance of the existing amount when the drain of the precious metals out of the country requires a decrease of the amount, for they are precisely the same in principle, if that demand for money is to be supplied by the continuous putting out of paper money, then the corrective influences are delayed in their operation, and in proportion to the delay of their operation the ultimate evil, and difficulty in correcting the evil, are greatly augmented.

3656. Those who complain of the Bank for keeping up a high rate of discount assume that a high rate of discount is necessarily an evil, do they not?—I cannot at all say what they assume, for they seem to me to assume anything that suits them at the moment, one thing being contradictory to the other.

3657. When they complain of the Bank as exercising an improper discretion in raising the rate of discount unnecessarily, is not the very essence of that complaint the assumption that a high rate of discount is a public evil?—We must of course clearly distinguish between an arbitrary action on the part of the Bank, and a real rise in the rate of interest; a real rise in the rate of interest, whether it be convenient or inconvenient, must be the natural and necessary course of things, and any artificial interference with it must produce evil. If the Bank arbitrarily raises its rate of interest, that can exist only for a very short period. The Bank is not the governor of public events, it is the servant of public events. The fault that the Bank has usually committed has been not conforming to the natural fluctuations in the rate of interest. When the rate of interest has naturally been rising on former occasions, the Bank has been slow and tardy in conforming to that natural increase in the value of money, and mischief has ensued from it; but the Bank would always best serve the public, if it were to conform as strictly and as speedily as is possible to the real market value.

3658. What I understand Mr. Newmarch and, I believe, Mr. Tooke to object to as respects the Act of 1844 is, not so much the high rate of interest, as the variations in the rate, which they attribute to the Act, and Mr. Newmarch even suggested that the Bank ought never to use a lower rate of discount than 4 per cent. What do you think of that proposition?—I think it wholly unreasonable and untenable; I can give no other answer.

3659. What, in your view, would be the result of an attempt on the part of the Bank to act upon any such maxim as that of never establishing a lower rate of discount than 4 per cent.?—The result of course would be, that whenever the natural value of money or of capital was below 4 per cent., all the discount business of the Bank would pass away, and capital would be obtained through other channels, at a lower rate.

3660. Would not the Bank then be induced to lend by other means, so as

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practically to avoid its own maxim?—No doubt. I must of course presume that the Bank is not a fool, and the Bank if it could not lend its money by discount, would seek to lend it through other means. We have had that phenomenon occurring before. The Bank would be lending money upon railroad bonds; it would be purchasing stock; it would be using every means by which it could lend its money. Therefore the supposition in that form amounts to nothing; it is a mere transference of the form of advance from a discount to some other mode of advancing. If you try the supposition at all you must suppose that the Bank ceases to employ its capital, a supposition which, I think, it is not worth while discussing, because it is a pure gratuitous theory which has no practical reality.

3661. It was stated by, I think, Mr. Newmarch that the operation of the present Act in cutting the bullion into two parts, the larger part of which was in the Issue Department, and the smaller part in the Banking Department, had a mischievous effect in increasing the variations of the rate of discount. Do you recognise the connexion between cause and effect?—I think I might safely leave it to the Committee to judge of the value of that observation; I do not wish to criticise such statements as those.

3662. You do not attribute any value to that remark?—Certainly not.

3663. Following up your view as to the importance of the separation between the two departments of the Bank, does it appear to you desirable that the law should remain in its present state, or that any attempt should be made to separate the Issue Department more completely from the Banking Department?—I think that the Issue Department is now effectually and completely separated from the Banking Department. The only consideration which bears upon that question is, that, from the mere fact of their being carried on under the same roof, a certain portion of the public cannot yet divest their minds of the impression that there is some union between them. Whether any further separation would be desirable, for the purpose of medicating to that weakness, I really cannot undertake to say, but I think that, upon the whole, the thing is in a satisfactory state. You have obtained all the great results at which you aimed; you have obtained those results with perfect consistency with the gigantic development of the prosperity of the country; you have had the approval of those who have had to watch the operation of the Act in their declaration, that they see no reason for disturbing it, and that they wish to have it continued in its present form; and I think, under those circumstances, that as respects any further disturbance of the department by moving it elsewhere, the considerations are not sufficiently powerful to make that at all desirable.

3664. Let me call your attention to two questions which were put to you in the Committee of 1848, by Sir William Clay; they are Questions 5282 and 5283. Sir William Clay asked you: "Do not you think it might tend to a more wholesome state of feeling in the public mind, if the issue of notes were separated from the Bank, and taken out of their hands?" To which you replied: "Yes, I think so." Then he proceeded to say: "It might be made a department of the State, or some department connected with the State, and kept wholly free of the Bank, leaving to the Bank of England their functions as the bankers of the State, but taking wholly out of their hands the issue of notes?" Your answer was: "I think the more the management of the circulation is separated from the banking business, not only in reality, but in appearance, the more beneficial it will be to the public interest." In that answer you do not express any opinion in favour of a State bank, but merely give a general opinion in accordance with what you have stated to-day in favour of the separation of the functions of banking, and of issuing paper. With respect to Sir William Clay's question as to making the bank of issue a department of the State, what is your present opinion, from your experience?—I think it is rather unfortunate that we have the term "Bank" associated with the Issue Department; and I think that some vague impressions arise in the public mind from that form of expression. I certainly think it quite essential that the issue of paper money should be kept entirely separate and distinct from everything connected with banking business. The objection to putting it more avowedly and distinctly in the hands of the Government than it is at present, I think is of this nature, that so long as there exists in the public mind an impression that pressure upon the trading world is associated with the management of the monetary system of the country, it might be very inconvenient to place that monetary system more avowedly in the hands of the Government; and I must also observe, that I think the interposition

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of some responsible body, between the Government and the management of paper issues, might be exceedingly convenient in strengthening and assisting the Government to resist pressure which might come upon it at certain periods, to do that which it ought not to do.

3665. On the whole, you would not be disposed to recommend any change similar to that contemplated in the question referred to, namely, the withdrawal of the business of issue from the Governor and Company of the Bank of England, and the placing it in the hands of a body nominated by the Government or by Act of Parliament?—I must again say, that I dislike the expression of the business of issue being in the hands of the Governor and Company of the Bank of England. I consider the business of issue to be in the hands of the Issue Department, and in the hands of the law of the country. The Governor and Company of the Bank of England have no power in the matter of any sort or kind; they are merely the clerks who have to do the business which the law has ordained.

3666. Still the Issue Department requires some management, and the law vests that management in the Governor and Company of the Bank of England, does it not?—Yes; but I think it very important to distinguish that it vests in the Governor and Company of the Bank of England, the mechanical duties which must be discharged; but it invests them with no discretionary management whatever with regard to the issues, and therein it is that the whole essence of the distinction consists.

3667. Surely the amount of bullion which may be in the Issue Department must in some degree depend upon the discretion of the Directors of the Bank?—Not in the slightest degree whatever. That brings us at once to the very pith and heart of the whole of this question. It is quite the reverse of that. The whole community are perfectly free, according to their own discretion, to deposit bullion in the Issue Department, and against the bullion so deposited in the Issue Department, the Issue Department is bound, and has no discretion in the matter, to issue notes. The Bank of England have no discretionary power whatever over the bullion in the Issue Department.

3668. You do not hold that the Bank of England have any power of increasing the bullion in the Issue Department by any act of theirs?—They have no power of increasing the bullion in the Issue Department by any direct act of theirs. The Bank by those various actions which influence the exchanges, may draw more bullion into the country, and so increase the bullion in the Issue Department; they have no other power than that.

3669. Do not you hold that they have a power of diminishing the quantity of bullion in the Issue Department by their acts?—They have no more power to do it than I have, or you have. They may take notes to the Issue Department and may demand bullion in exchange for those notes, as anybody else may do; but they have no other power than that.

3670. At all events it would be possible by Act of Parliament to put an end to the present law which regulates the issue of Bank notes from the Issue Department, and to transfer that issue to a body, either appointed by the Government, or constituted under the direct authority of an Act of Parliament, would it not?—According to my view of the matter, that would be no transference at all; it would be merely a change of name; instead of the Issue Department, you chose to put the word "Mint," or "The Chancellor of the Exchequer," or anything else that you like. It seems to me that it is at present in substance entirely separate, and that the whole question is merely a question of form. You may alter the form, but the substance is accomplished already.

3671. Then your view is, that the present law has subjected the Issue Department to the power of mechanical laws, if one may say so, and that any transfer of the nominal managing authority would be formal, and not real?—I apprehend that it is not a matter of opinion; there can be no doubt of that fact, I believe.

3672. Assuming that the issue remains as at present, would it be, in your judgment, desirable to extinguish the right of issue by country banks, and to provide for the whole paper circulation of England in the first instance, by Bank of England paper?—There can be no doubt that that is a state of things which all principle would lead to. The present system of country issues which exists in this United Kingdom is undoubtedly a complete anomaly. We have it, and we do not very well know how to get rid of it; but I apprehend that no rational and intelligent person can say that he likes the system, or that he

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approves of it. At the time when the Act of 1844 was passed, there were two modes of dealing with the subject, which might have been taken. One would have been, to have endeavoured, by a sort of bold act at the time, to eliminate the whole of that anomalous system of country issues, from the monetary system of the country; the other course was, to trust to the absorption of them by the gradual process of natural causes. Sir Robert Peel thought the latter the wise course to take, and I certainly think, that as a practical statesman, he exercised a sound discretion upon the subject. I should, myself, be disposed to follow out his policy. Of course, following out his policy involves this, that nothing must be done in any degree to extend or to strengthen those country issues, but that all the tendencies of your law must be, to carry out that policy of gradually absorbing this system through the operation of natural causes.

3673. The Act of 1844 contains within itself evidence that the extinction of the country bank circulation of England was then contemplated, does it not?—I think that it contains evidence of a desire to see that circulation controlled and ultimately extinguished, but I think that it contains clear evidence that the putting a fixed limit to the amount of that circulation was deemed by Sir Robert Peel to be the accomplishment of the main and great object respecting it, and that after that was effectually accomplished, the evil of the country circulation was so greatly mitigated, that it was not necessary to be over anxious with regard to its further progress.

3674. The composition clause appears to have had for its object the gradual extinction of the country bank issues by voluntary means?—Certainly.

3675. Then Section 25 is to this effect: "Be it enacted, that all the compositions payable to the several bankers mentioned in the Schedule hereto marked (C.), and such other bankers as shall agree with the said Governor and Company to discontinue the issue of their own bank notes as aforesaid, shall, if not previously determined by the act of such banker as hereinbefore provided, cease and determine on the first day of August, One thousand eight hundred and fifty-six;" that has passed, "or on any earlier day on which Parliament may prohibit the issue of bank notes." Do not those latter words appear to you to show that when this Bill was drawn, the framers of it had in contemplation, the possible prohibition of the issue of country bank notes even before the first day of August 1856?—I have not particularly attended to the meaning of those words; the Committee are much better capable of judging of the real import of them than I am, but I think it highly probable that it was in the mind of Sir Robert Peel that circumstances might require some determined action with regard to the country issues.

3676. The operation of the composition clause has hitherto not been considerable?—No.

3677. Do you think that its operation has been in any way arrested by the war, and by the high rate of interest during the last two years?—I am hardly competent to give an opinion upon that point; I should think that it must have been a very slight influence, if any.

3678. In fact, few compositions took place even during the period of low interest and previously to the war?—I apprehend that the country issues are quietly subsiding, that the public are losing their attachment to the country issues; that they are becoming more and more convinced of the reasonable character of the Act of 1844, and of the truth and soundness of the great principle upon which that Act is founded. I believe that the country issuers themselves are learning to appreciate their issues at a much lower point than they used to do, and consequently the whole of those issues are becoming year by year less efficient in their action as a portion of the money of the country, and that they may be safely left to die away; it is the flickering of the candle which is going out.

3679. Then you would not recommend any legislative measure to accelerate the extinction of the country issues?—I thoroughly and entirely agree in the principle clearly set forth by Sir Robert Peel, when he was planning the Act of 1844, that these sort of discussions upon the subject of the monetary system and the banking regulations of the country are exceedingly inexpedient and mischievous, and that they should be avoided by every possible means; and I certainly think that there is no good to be derived from now dealing with the country issues at all comparable to the evil of raising these discussions.

3680. One of the proposals which have been made with respect to the country issues,

issues, and one of the petitions which the parties themselves now make is, that they may be allowed to issue against bullion in excess of their present limits, upon the same principle as is adopted in the case of the Scotch and Irish banks; what would you think of that change?—My answer to that question is involved in the answer which I have already given, that I think it would be entirely inconsistent with the whole principle upon which Sir Robert Peel proceeded to do anything which should directly or indirectly strengthen or foment the country issues. The principle is to extinguish them gradually and quietly without making a disturbance; but constantly to keep your eye upon the ultimate object in view, namely, the extinction of the country issues.

3681. Do you think that we are making at our present rate of change any considerable advance towards the extinction of the country issues?—I think we have pretty nearly extinguished all the serious evils which arise from them; I do not at all mean to say that there are not still some very serious objections to them; but upon the whole the result of my judgment would be that it is better to let things go on as they are.

3682. It appears that in October 1844 the total issues of the country banks were 8,058,614 *l.*?—Yes.

3683. In May 1857 they were 6,934,621 *l.*?—Yes.

3684. That shows a diminution of about 1,000,000 *l.* If you will cast your eye down the pages, you will see that the variation since 1844 has not been very considerable; it has been about 1,000,000 *l.* in 13 years?—Yes.

3685. Then it cannot be said that we are making any very rapid progress towards the extinction of the country bank circulation?—That is a question which the Committee can judge of as well as I can. I think that the progress is much more decided towards the extinction of the inconveniences which attend the country issues, than it is to the extinction of their absolute amount. But at the same time I perfectly admit that there are many, and I think some very serious objections still to be urged against the existence of the country issues. The two objections which I should urge, are not those which I think have generally been urged. The two objections which strike me against the continuance of the country issues are these, first, that in the returns which we have of the country issues, the vital defect still exists, that with respect to them the banking reserve is suppressed; and, secondly, that the whole action of the foreign exchanges falls exclusively upon the Bank of England, and in no degree whatever reaches the country issues. Upon those two grounds I think that objection may undoubtedly be raised to the continued existence of the country issues, and if as a matter of practical expediency the financial department of the Government can see their way to extinguish the country issues, without violent offence to feeling and to ancient habits, and to supposed vested interests, I shall be exceedingly glad to see them extinguished.

3686. Would you apply a similar remark to the Scotch and Irish issues; do you think it would be desirable to take any means for substituting the Bank of England paper for those issues?—My remark is founded upon general principle, and therefore is universally applicable; but I have not said, nor am I prepared to say, that I think it desirable to take strong measures for the purpose. If the Government can see their way to do it without raising indirect difficulties of a formidable character, I shall be exceedingly glad to see it done; but that is a question of practical detail which the Government must judge of.

3687. We require that the Bank of England should issue to a certain point against securities, and beyond that point against bullion, but with regard to the banks of issue in the country no similar security is taken, there is merely a limit placed upon their issues. Would it in your judgment be desirable to require any security for the issues of the country banks of England?—I think, that if you are prepared to deal with the country banks in so serious a matter as that, you had then better go a step further and endeavour to extinguish the country issues. My feeling is, that the evils to be corrected are not so great as to justify you in encountering the formidable difficulties which I apprehend to stand in your way. But as I said before, the extent and importance of those difficulties is a matter of practical estimate, which it belongs to the financial department of the Government to form its judgment upon, rather than any particular individual.

3688. There is a question on which various witnesses have expressed opinions to this Committee, perhaps it is rather a theoretical than a practical question; but we should be glad to know your view upon it, it is this: suppose two country

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bankers to be in the same neighbourhood, with no law limiting their issues, except that of the note being convertible, would they have the power, by competing with one another, to increase their issues at their own will and without the action of the public?—If that question is intended to raise a discussion upon the whole of that extraordinary doctrine which has been propounded to this Committee; namely, the inability of banks which are banks of deposit, as well as of issue, to exercise any regulating control emanating from themselves over their own circulation, of course we must go into it in a very comprehensive form. If it is limited to the simple question whether two country issuers competing with each other can, through that competition, force out more issues than they had before, I think the answer which I should give to it is this: that I should look upon the issues of the country bankers as likely to be increased, not so much by direct competition with each other, as by the disposition of the country bankers to support the speculative or expansive tendency pervading their district by increasing issues to meet that speculative or expansive tendency, those increased issues not being warranted by any increase in the money of the country in the form of import of bullion.

3689. The practical question with regard to this matter is, how far the tendency of the control of bankers over issue is dangerous, and therefore requires to be restrained by positive law?—I have no hesitation in giving my opinion upon that point, that the bankers entrusted with the power of issue, are entrusted with a power of a very formidable and a very dangerous character; one that has been repeatedly abused, and by the abuse of which, the public has repeatedly suffered serious injury.

3690. To return to the question of the Bank of England, the Act of 1844 first introduced the rule with respect to the 14,000,000*l.* and the issue of everything in excess upon bullion, it has been suggested that the limit of 14,000,000*l.* is at present too low; would you be in favour of in any way altering that limit?—I am not myself at all prepared to recommend any alteration of that amount; I think the call for an increase, as far as I am able to judge, is founded upon a very erroneous view; I believe that those who call for the increase of issue upon securities from 14,000,000 *l.* to 16,000,000 *l.* anticipate from that step an increase in the total amount of the money of the country and great facility to trade and commerce to arise from that increase; if it be so, they are acting under a complete delusion. The quantity of money which any country shall possess for the adjustment of its transactions is a matter not within the control of any law or of any particular body, it is determined by the great events of the world, which assign to each respective country a certain quantity of the money of the world; those laws assign to this country a certain quantity of money, and that is entirely beyond the control of the Legislature. It is within the power of the Legislature to determine of that given quantity of money what proportion shall be paper money issued upon security, and what proportion shall be paper money issued against bullion; and if you choose, it is undoubtedly within the power of the law to authorise an increase of the paper money issued against security from 14,000,000*l.* to 16,000,000 *l.*; but the evident and immediate result of that would be a decrease in the quantity of paper money issued upon bullion, so that the result would be that whatever you suppose to be the minimum amount of bullion which we now retain under severe pressure, say, 8,000,000 *l.* under that alteration of the law, it would be 2,000,000 *l.* less, therefore it becomes a mere practical question whether it is safe to trust the monetary system to rest upon a minimum basis of bullion 2,000,000 *l.* less than that upon which it rests now; I think some serious doubts may be entertained whether that would be perfectly safe; but at all events, I think that the advantage of being more than perfectly safe, the advantage of being beyond the reach of all question, and beyond the possibility of any doubt, however foolish or unfounded, arising in the public mind as to the adequacy of our store of bullion, is so valuable and so important that the little benefit to be gained from the issue of 2,000,000 *l.* of notes upon securities is not to be weighed for one moment against it.

3691. You entertain no doubt that the practical effect of enlarging the limit from 14,000,000*l.* to 16,000,000*l.* would be not to add 2,000,000*l.* to the paper currency, but to diminish the bullion reserve of the Bank by 2,000,000*l.*?—No person who understands the elements of the subject can entertain a doubt upon that point. It would cause an increase of 2,000,000 *l.* in the amount of paper notes issued against securities, at the same time it would cause a decrease of

of 2,000,000*l.* in the amount of paper notes issued against bullion. There would be no absolute increase in the aggregate amount of paper money. There would be in the Issue Department an increase of securities, and a decrease of bullion in each case to the extent of two millions.

3692. You consider that as certain as anything which cannot be made a matter of mathematical demonstration, do you not?—I consider it to be as fundamental in discussing this subject as a definition of Euclid is in discussing any of the works of Newton.

3693. Supposing that the bullion of the Bank was diminished by that 2,000,000*l.*, probably it would be exported, or at any rate it would be diffused over the bullion circulation of the whole world?—Undoubtedly.

3694. Whatever relief was afforded to trade would merely be momentary?—The relief afforded to trade, I think, may be thrown out of the question; it clearly does not touch the principles which we are discussing; one may fairly say, that there would be no relief afforded to trade; it would be temporary to so slight a degree that it is not worth speaking of.

3695. With regard to the operation of the clause in the Act as to replacing abandoned country note circulation by Bank of England issues, at present, when a certain sum has been abandoned, the Bank of England may, by order in Council, be permitted to issue to the extent of two-thirds of that sum; it has been suggested that the Bank of England might be permitted to issue to the whole amount; does that appear to you to be a change of any importance?—I think it is not worth talking about; I think it is a matter of no consequence at all.

3696. On the question of 1*l.* notes, you are, of course, aware that the law is different in the three kingdoms; that is to say, that in England it is different from the law in Ireland and Scotland; would it be, in your opinion, advantageous to assimilate the law in the three kingdoms, either by introducing 1*l.* notes in England, or by suppressing them in Scotland and Ireland?—I have no hesitation in giving a very decided opinion against introducing 1*l.* notes into England. With respect to suppressing 1*l.* notes in Scotland and Ireland, there may be practical considerations creating some difficulty; of the force of those I am a very incompetent judge. As a general principle, I think that the system established in England is unquestionably the right one; that it is desirable that the smaller moneys of the country should be in the metallic form, and principally for this very obvious reason, that alarm and panic are liable to arise amongst those classes where the intelligence and education are the least, and that therefore n the money which those classes principally deal with, it is desirable to have it in that form which is not susceptible of the mischievous consequences arising from alarm.

3967. You are doubtless well acquainted with the state of the circulation in the manufacturing district of Lancashire. Is there any country bank paper in circulation in that district?—There was not when I was more actively engaged in the subject and had more personal knowledge of the state of things.

3698. There are no country banks of issue in that neighbourhood?—I believe not.

3699. In what manner are the vast commercial transactions of that district carried on; are they conducted as in London?—Yes, as in London, with the exception that of course there is a little difference in the mode of doing business in the provinces from what is the case in London, where you have immediate access to the great central source of issue, but there is no difficulty of any sort or kind; it is as easy and as simple as anything can possibly be.

3700. Is the paper money in circulation in that part of the country exclusively Bank of England paper?—Exclusively Bank of England paper.

3701. There is nothing in the law which discourages or prevents the existence of country banks of issue in that district of England more than in other parts of the country?—No. How it has originated I do not know, but it has undoubtedly been continued by the good sense of the community there. I remember one occasion, many years ago, on which there prevailed an idea of the great advantages to be derived from country issues, and a very strong pressure was put upon us to put forth a paper issue of our own, and we were so pressed that we were obliged to make preparations for so doing very much against our own will. However, on further discussion and talking to persons we found that that feeling subsided a little, and we very gladly availed ourselves of that circumstance to stop the whole thing, and I certainly have from that time to this, always rejoiced that that measure was stopped.

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3702. The credit operations of that district are very large, are they not?—They are very large indeed.

3703. Has it ever been suggested that greater accommodation would have been given to trade, if there had been numerous banks of issue in that part of the country?—Undoubtedly, at different times that idea has been thrown out, but the people of South Lancashire are a very intelligent, a very thoughtful, and a very careful class of people, and the higher classes have always, on reflection, come to the conclusion that they are much better and safer without those issues.

3704. I think the result of your opinion seems to be, that whatever argumentative and logical anomalies may be discoverable in the Acts of 1844 and 1845, you are not disposed to suggest any material alteration in them?—No. I subscribe entirely to the opinions which are now before this Committee from the Bank Directors. I believe that the Act was founded upon sound principles. I believe that it has fully verified all the beneficial results anticipated from it, and I believe that the wise course would have been to have proceeded at once to renew the Act, without involving the country in the evils and the inconveniences of these discussions.

3705. Still the Act seems to contain within itself, evidence that it was intended not to be a final measure, but to lead to some ulterior changes. One of the questions which we now have to consider is, whether it would be desirable to develop the policy of that Act, and to carry its provisions to a further point. Your opinion seems to be that at present it is not desirable to make any material change?—Of course that depends a good deal upon the measure submitted for that purpose. That there are further advances towards the true state dictated by principle, is certainly true, and if anybody submits a measure of a practical character for the purpose of making a further advance, I shall be glad to exercise my best judgment upon it. I myself am not prepared to submit, or to suggest, any measure of that sort; I think that all the practical results which we have now before us would, as addressed to a sensible and practical people, lead them to the conclusion that it is better to go on as we are, and to be content with the enormous proportion of good which we have obtained; and I feel confident that that is an opinion strongly and universally growing throughout the intelligent portion of the community, and that nothing could be adopted by the Government or the Legislature at this moment which would be less in harmony with the feelings of the people, than any proposal seriously to interfere with the provisions of the Act of 1844.

3706. Taking the last 10 years, from 1847 to the present time, do you believe that the currency of this country, both the Bank of England circulation and that of the country banks, and the Irish and Scotch banks, was ever in a sounder, or in as sound a state?—There cannot be a question about it; it is in a far more satisfactory state than it was at any time within my recollection, or of which I have ever read.

3707. Then if we are to address our legislation to the removal of practical evils, you do not discern any practical evils in the state of the currency which would justify an alteration in the law?—None whatever.

3708. Has not the currency of the country been subjected to very trying influences during the progress of the late war?—Undoubtedly to a very severe trial.

3709. The necessary effect of a foreign war is to lead to large exportations of bullion, is it not?—The occurrence of a foreign war necessarily leads to a very large foreign expenditure, namely, an expenditure on the part of this country to an immense amount in other places than in the country itself. That expenditure must be met by some means or other. Of course if it cannot be met by any other means, it must be met by the export of bullion; but the object and purpose of a sound and safe construction of the monetary system of the country is to take care that that expenditure shall be met by other means than by the total loss of its bullion.

3710. Inasmuch as a war gives rise to a large and sudden demand, it may be in a barren and comparatively uncommercial country, is it not almost an inevitable consequence that a foreign war leads to an export of bullion?—It leads to an export of bullion in a particular direction; but the question I apprehend to be, whether it leads to a large export of bullion upon the general balance.

3711. That is to say, to a greater export of bullion than would have taken place,

place, if the loan had not occurred?—The question at the bottom of that is this, whether the foreign expenditure shall be met by the export of commodities to provide for it, or by parting with your bullion.

3712. That expenditure can only be met by the export of commodities, in the event of a sudden increase of trade to the extent of the sudden increase of expenditure caused by the war?—It may be met in a variety of ways. In the very complicated relations which now exist between the civilised countries of the world, it may be met by an increased export of commodities; it may be met by a decreased import of foreign commodities for our home consumption; it may be met by various actions upon the credits that exist throughout the world; or it may be met by the export of securities. So complicated are our relations now throughout a vast variety of places, that the payment of a sudden debt, as I may call it, contracted in a particular place, may be adjusted by other means than by the absolute export of bullion.

3713. In point of fact, during the late war a considerable export of bullion did take place to the Black Sea, for our payments, and the Turkish Loan was also remitted in bullion?—Yes.

3714. Therefore, that export of bullion necessarily deranged the exchanges, and affected our currency at home?—It necessarily affected the exchanges; and then other circumstances must be brought into play to rectify those exchanges; so that, upon the whole, we may not part with bullion upon the balance.

3715. The return to a natural state of things, the adjustment which has taken place since the peace, has been another cause which has had a material influence upon the state of our currency?—Yes; it necessarily acts with considerable power over the various circumstances which affect the currency.

3716. Therefore, the experience of the last 10 years with respect to the operation of the Act of 1844, has been more important and more trying than the experience of 10 years of peace, without any revulsions of trade?—I think that, from the period of the passing of the Act in 1844, down to the present time, the Act has been subjected to a very complete and a very thorough trial; and I think that the Act has met that trial by realising every expectation which was entertained with regard to it. It has protected your bullion reserve from any diminution in amount, such as to create the slightest apprehension or alarm with regard to your specie payments, and it has at the same time admitted of a development of prosperity in the country which I need not characterise.

3717. Therefore if the operation of the Act is tried, not by general arguments, but by the test of experience, you think that there is no ground for any material alteration in its provisions?—I do; and there is no doubt that it is that test of experience which is operating upon the public mind, and bringing new converts and new supporters to the Act, year by year, and day by day.

3718. The main practical objection to the operation of the Act at present, is in respect of the variations in the rate of discount, and the high rate of discount, which the public are inclined to attribute to the operation of the Act. You have already expressed your opinion, first, that a high rate of discount is not necessarily an evil; and next, that it is not to be attributed to the operation of the Act?—I have. I can only restate my opinion, that the frequent minute variations in the rate of interest which arise from an alteration in the quantity of money are exceedingly useful. The more frequent they are, the more minute they will be, and the more effectually they will accomplish their object. With regard to a great rise in the rate of discount, that is a circumstance entirely arising from the increased value of capital, and the cause of that increased value of capital I think any person may discover with perfect clearness. I have already alluded to the fact that during the 13 years this Act has been in operation, the trade of this country has increased from 45,000,000 *l.* to 120,000,000 *l.* Let any person reflect upon all the events which are involved in that short statement; let him consider the enormous demand upon capital for the purpose of carrying on such a gigantic increase of trade, and let him consider at the same time that the natural source from which that great demand should be supplied, namely, the annual savings of this country, has for the last three or four years been consumed in the unprofitable expenditure of war. I confess that my surprise is, that the rate of interest is not much higher than it is; or, in other words, my surprise is, that the pressure for capital to carry on these gigantic operations, is not far more stringent than you have found it to be.

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3719. You have pointed out to the Committee, that the Bank Directors may be said to be almost unanimous in favour of not interfering with the provisions of the Act. What, according to your belief, is the prevailing opinion among commercial men on the subject: are you aware of any general wish among commercial persons for any alteration of the Act?—Of course I am not so well prepared to answer that question now, as I should have been some years ago, when I was more immediately mixed up with the commercial world; but I keep up a very active intercourse with my former commercial friends, and certainly I have been struck, and very powerfully struck, with the unequivocal evidences of the daily-growing feeling in favour of this Act. Many of my own friends, who in the year 1847 would hardly speak to me, because they considered me in some way or other connected with this Act, have come to me within the last two years to say that they are perfectly convinced that they were wrong, for they see now that the measure was doing great service to the country, and that has come from men in a very high station in the city.

3720. Whatever feeling against the Act exists among commercial men, is owing to the belief that it in some way limits the supplies of what is popularly called cheap money, is it not?—I suppose so; I really cannot pretend to say.

3721. That, in other words, is a complaint, that the rate of discount is higher than is convenient to those who wish to borrow?—I believe it is altogether founded upon that very common fallacy, that money and capital are the same thing. They think that whenever they want capital, if there can be only a further issue of notes, notes are capital, and that anything which puts those notes under a system of regulation, is really producing some regulation by which they are to have a less command of capital than they had before. I believe that to be the fallacy at the bottom of it all, and that there is a class of mind out of which that fallacy cannot be forced by reason, but out of which it may be forced by experience; and I believe that the last three years have cleared away an enormous quantity of that error.

3722. Where a trade is essentially sound, and is only to a small extent carried on by means of borrowing, a merchant's profits are not seriously diminished by occasional loans, even at a high rate of interest, are they?—That idea of the profits of trade being destroyed by a rise in the rate of interest is most erroneous. In the first place, a rise in the rate of interest is seldom of any long duration; in the second place, if it is of long duration, and of great extent, it is really a rise in the value of capital, and why does value of capital rise? because the rate of profit is increased.

3723. The rate of interest has been high in this country during the last two years, has it not?—Yes.

3724. But yet we see, from the returns of the Board of Trade, that the trade of the country proceeds without any diminution, notwithstanding the unfavourable influence of the war?—The rise in the rate of interest has been in consequence of the great increase in the trade of the country, and the great rise in the rate of profits; and to complain of the rise in the rate of interest as being destructive of the two things which have been its own cause, is a sort of logical absurdity which one does not know how to deal with.

3725. In the United States, where trade and industry are so flourishing, the rate of interest is very much higher than it is in this country, is it not?—Yes; in the United States there are two causes for that. It is comparatively a young country with a less accumulated capital, and with an enormous field for the employment of capital. The consequence is, that you have both the phenomena which exist in this country more strongly developed there, namely, a generally high rate of interest and a greater amount of fluctuation in the rate of interest.

3726. The recent fluctuations in the rate of discount in England have been accompanied by corresponding fluctuations on the continent?—Yes; the fluctuations in the rate of interest at Hamburgh and at New York have been greater than the fluctuations in the rate of interest in England, and I believe you will generally find that the fluctuations in the rate of interest are to a great extent coincident with the rapidity with which wealth is created and prosperity developed.

3727. Confining ourselves to Europe, have not the recent fluctuations in the rate of interest in London been common to Paris, Amsterdam, Hamburgh, and other seats of commerce on the continent?—The recent rise in the rate of interest in this country is a phenomenon arising from one great cause, to which we

we have already alluded, namely, the gigantic development of the trading operations of the world, accompanied by the destruction of savings which has taken place during the last war. That is a cause operating over the whole of Europe, and you find the effect equally universal.

3728. Mr. *Cayley*.] You have stated that the rate of discount is of no material moment you think to the merchant; will you be kind enough to state what you consider the ordinary rate of profit to the merchant?—It is quite impossible to state what the ordinary rate of profit is; it is a matter varying in different trades, varying in different countries, varying at different times.

3729. Supposing the average rate of profit to be, say, from 7 to 10 per cent., a variation of from 2 to 7 or 8 per cent. in the rate of discount must materially affect the rate of profit, must it not?—In the first place parties will not pay a rate of discount which seriously interrupts their profits; they will discontinue their business rather than do that. What is the meaning of discount? Why does a person discount a bill? He discounts a bill because he wants to obtain not money, for its own sake; it is useless in itself; he discounts a bill because he wants to obtain the command of a greater quantity of capital; and why does he want to obtain the command of a greater quantity of capital? because he wants to employ that capital; and why does he want to employ that capital? because it is profitable to him to do so; it would not be profitable to him to do so if the rate of discount destroyed his profit.

3730. Merchants being engaged in business, must they not for a certain period carry on their operations in despite of any temporary increase in the rate of discount?—There is no doubt that in any particular transaction, if a person can get his command of capital at a low rate of interest rather than at a high rate of interest, taken in that limited view of the matter, that is convenient to him; but I do not see that any important consequence arises from that. If the rate of discount becomes inconveniently high, it can only be because the persons who seek to borrow capital through the means of discount do so, because they find that they can employ that capital even obtained upon those terms in a manner which is advantageous to themselves.

3731. I observe that your Lordship said that the higher rate of discount for the last two years was owing to the increase of trade, and to the general prosperity of the country; is that your view?—Yes; what I stated was this, that during the last few years there has been an immense development of the trading operations of the country, and of the world, and that that great development of the trading operations of the world has created a very great demand for capital, and that the very great demand for capital necessarily creates a higher price or value of that capital, and that therefore the high rate of interest is the result of the great extent of trading operations.

3732. With reference to the Act of 1844, can you state what has been about the average rate of interest in proportion to the amount of bullion in the bank; would it be a fact that when the amount of bullion has been about 9,000,000 *l.* or 10,000,000 *l.*, the rate of interest has been 6 or 7 per cent., and that when it has been 16,000,000 *l.*, the rate of interest has been, say from 3 to 4 per cent.?—I do not apprehend that that is so; I have no idea that that would appear to be the result of the examination of the statistics; but if it is, then I think we must take still more stringent measures than those adopted by the Act of 1844, because if it be true that the greater the store of bullion, the lower the rate of interest, we ought to set to work, according to that view of the matter, to increase the store of bullion to an indefinite amount, and then we should get the interest down to nothing.

3733. If that be so, supposing that 5,000,000 *l.* of bullion was to be restored to the Bank, in the course of the next six months the bullion then would amount, say to 16,000,000 *l.*, and supposing that the rate of interest was thus to fall to 3 or 4 per cent., how could it be stated that that fall in the rate of interest arose from a great decrease of the trade of the country?—I must have a great many other facts added to that supposition; when we are supposing a great many phenomena, we must beg the person making the supposition to explain all the causes of the phenomena which he so supposes to have occurred, because until we know the causes of the phenomena, we cannot pretend to draw any useful or instructive conclusions from them. I said that the recent rise in the rate of interest, not that the fall in the rate of interest, was closely connected with the great increase in the trade of the country.

3734. In the ordinary state of things, if the Bank was to fortify its store at the rate of 300,000 *l.* or 400,000 *l.* per week, and in the course of six months

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that was to amount to 5,000,000*l*., making in the whole from its present amount 16,000,000*l*., judging from previous experience, the rate of interest probably would fall to at least 4 per cent.; would that fall in the rate of interest be then necessarily consistent with a decline in the prosperity of trade?—We must understand clearly whether we are speaking of a fall in the rate of interest of a very temporary character, or of one which has some duration in it. A low rate of interest prevailing for any continued length of time, I apprehend, is a pretty clear indication of a low rate of profit.

3735. But if the rate of interest was to fall in consequence of the accession of 5,000,000*l*. of bullion, in the course of the next six months would that be accompanied, in your Lordship's estimation, by an increase or a decrease in the prosperity of trade?—I do not apprehend that they are intimately connected with each other in the relation of cause and effect. If the bullion in this country increases, that increase of the bullion must proceed from some cause. Before I go further, I must beg to have the cause of that increase explained. I can only revert to the general principles that the rate of discount is the price paid for the command of capital, and that when the profits of trade are high, it stands to obvious reason that persons will be willing to pay a high rate to obtain the capital which is necessary to carry on that trade; that when profits are low, they will not pay that high rate; they will allow the capital to go away rather than pay that rate, and they will only pay a lower rate; again, whenever profits are high, and there is a demand for capital, because great profit is to be made of it, persons pay for the use of that capital a price proportionate to the profit which they can get in the employment of that capital.

3736. I observed your Lordship to say, that money was the instrument for obtaining capital. Under a drain of bullion, is not the great strain, on the contrary, for capitalists to obtain money?—No; it is not the capitalists, it is those who are not capitalists who want to obtain money; and why do they want to obtain money? not to keep it in their pockets, but they want to obtain money, because through the money they obtain the command of the capital of the capitalist to carry on the business of the persons who are not capitalists.

3737. Are not the parties who draw bills of exchange capitalists?—The parties who draw bills of exchange may be, or may not be, capitalists.

3738. As a general rule, is it not the custom of the merchants of this country to carry on their business by means of bills of exchange?—No doubt about it.

3739. Are not bills of exchange the representatives of the goods manufactured or dealt in?—I hardly know the meaning of that expression. Bills are drawn very often in consequence of sales of goods made, very often in consequence of credits granted; they are sometimes drawn as arising out of Exchange transactions, sometimes out of dealings in commodities.

3740. Are they not as much the representatives of the stock of the merchant or the manufacturer, as the bank paper which you stated was the mere representative of gold, or the shadow of gold?—No, I do not think they are at all. The bank paper is the representative of gold, because it is the certificate of gold placed in deposit against it; but a bill drawn is by no means the certificate of goods in that sense of the word.

3741. The merchant draws a bill on the faith of goods which he is either making or has sent abroad?—Take any particular transaction, there is no doubt about what the fact is: a person ships goods abroad, and draws a bill upon the person abroad to whom he ships those goods, or he draws a bill upon the merchant at the port through whom he ships them; that bill, no doubt, has a commercial relation to the commodities so shipped; but it has not a relation similar in its nature, nor in its effects, to that which the bank note has to the bullion deposited.

3742. Is not his object to get money?—No; getting money is not the object in drawing the bill; getting money is the object in discounting the bill.

3743. What is the great desire of the mercantile community, under a pressure or panic such as you state to have occurred in 1825, 1837, and 1839; is their object to get possession of capital or the legal tender?—Their object is to get the command of capital to support their business.

3744. Will you be good enough to describe what you actually mean by the term "capital"?—I am afraid that that is going into a question which is a little beyond such a body as this fully to enter into. If you want me to define capital, I shall beg leave to decline entering into scientific definitions. If you wish me merely to give a general indication of what I understand by "capital," I am

quite

quite ready to do it. Capital consists of various commodities, by the means of which trade is carried on; there is fixed capital, and there is circulating capital. Your ships, your docks, your wharfs, your roads, your bridges, your mills, warehouses, &c., are fixed capital; your provisions, your clothes, and things which are necessary to sustain week by week, the labourer, all raw materials, cotton, wool, silk, iron, &c., are circulating capital.

3745. Is the country oppressed under a drain of bullion?—Not in any rational sense of the word. I must again resort to the elementary view of the subject. In the natural state of things, the money of the world is distributed amongst the different countries of the world in certain proportions, those proportions being such that under that distribution the intercourse between any one country and all the other countries of the world jointly will be an intercourse of barter; but disturbing circumstances will arise to affect that distribution, and when those arise a certain portion of the money of any given country passes to other countries. During that process of passing, there is some little inconvenience and pressure, but it is an inconvenience and pressure which is necessary for the rectification of things, and is therefore wholesome, and is, in fact, unavoidable. That pressure, under a proper regulation of things, will be but slight; of course more or less slight, according to the nature of the cause which acts upon it, and whatever the cause may be, that cause must be corrected, and the more early you resort to the measures of correction, the less will be the pressure and the inconvenience.

3746. Your Lordship now uses the term "money." I understood you before to say that it was a loss of capital?—That what was a loss of capital?

3747. The export of bullion?—No, I did not say so. If you treat bullion as capital, no doubt it is a loss of capital; it is parting with a certain proportion of those precious metals which constitute the money of the world.

3748. I understood your Lordship to say that an alteration in the rate of discount was a mere sign of an alteration in the value of capital?—I did.

3749. And that the rate of discount generally alters with the state of the store of bullion in the Bank of England?—Yes; but I have already stated that the fluctuations in the rate of interest which arise from an alteration in the quantity of money in a country, are very small, both as regards their extent and their duration, and that all really important alterations, in reference either to extent or duration, in the rate of interest are distinctly and directly connected with an altered value of capital.

3750. Then, does your Lordship mean that there is a less capital than there was, when there is a more continuous yet temporary increase in the rate of discount than usual?—Less, in one sense of the word. The proportion between capital and the demand for it, is altered; it may be by an increased demand, not by a diminution of the quantity of capital.

3751. What is the capital which you particularly allude to?—That depends entirely upon what the capital is which each person wants. It is the capital which the country has at its command for conducting its business, and when that business is doubled there must be a great increase in the demand for the capital with which it is to be carried on. That increase with regard to the capital with which the business must be carried on, must create an increase in the price of it. Capital is like any other commodity, it will vary in its price according to the supply and demand.

3752. The changes in the rate of discount are generally connected with the changes in the amount of gold which there is in the coffers of the Bank. Is it that capital to which your Lordship refers?—No. I have already stated that the great changes in the rate of discount are not so connected. I have stated that the small fluctuations in the rate of interest may be connected with an alteration in the quantity of money in the country, but that all the great and important fluctuations in the rate of interest have reference to the relation between the supply and demand of capital.

3753. Can your Lordship point to any instance in which there has been a large store of capital in the Bank of England connected with a high rate of discount?—The Bank of England is not a place for the deposit of capital, it is a place for the deposit of money.

3754. Your Lordship has stated that the rate of interest depends upon the amount of capital; will you be kind enough to state what capital you mean, and whether you can point to any instance in which there has been a large store of bullion in the Bank, and at the same time a high rate of interest?—It is very probable

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probable that the accumulation of bullion in the Bank may be coincident with a low rate of interest, because a period in which there is a diminished demand for capital is a period during which, of course, the means or instrument through which you command capital may accumulate.

3755. Then you think that there is no connection between the rate of discount and the amount of bullion in the coffers of the Bank?—There may be a connection, but it is not a connection of principle, there may be a coincidence of time. I can only repeat that the rate of discount is really an indication of the value of capital, and that whenever discount is for any length of time high, it is because there is a great demand for capital.

3756. I should be very much obliged, as one of the Committee, if your Lordship would define more distinctly the difference between money and capital?—Perhaps the better way is to take a practical illustration. Go into any great district of this country; go into Lancashire, and go to one of the persons who are undertaking very large manufacturing processes, and say to him, "Now here is 100,000 *l.* of money to go on with; but mind you must keep it as money; you must keep it in your pocket; now carry on your business; the money is capital; you must not go and hire a warehouse; you must not go and hire a quantity of labourers and pay them their wages, which is in reality paying them in the form of provisions and clothing, and so on; you must keep it as money." Of what use would the money be? It is only as an instrument for commanding capital that money is useful to anybody.

3757. Did I rightly understand your Lordship to say that the money was the capital?—No, I said just the reverse; I say that with money, retained as money, and not used as the means of obtaining capital, you can do nothing; you might just as well have a parcel of old iron. When I was a child, a sovereign was given to me, with a grave admonition, that as long as I kept that sovereign in my pocket I should never be without money; but I soon found that no good came to me from keeping the sovereign in my pocket.

3758. Do I rightly understand you to say, that the difficulty of merchants in this country, under a state of pressure, in consequence of a high rate of discount, is in getting capital and not in getting money?—You are putting two things together which I do not join in that form; their difficulty is in getting capital, and their difficulty also is in getting money; but it is in getting money not to keep it as money, but merely as the means through which they are to get the capital. The difficulty of getting money, and the difficulty of getting capital, is the same difficulty taken in two successive stages of its progress.

3759. Money is merely a means whereby capital is obtained?—No we have got to a common *locus standi.*

3760. But a higher rate of discount is an increased difficulty of getting money?—It is an increased difficulty of getting money, but it is not because you want to have the money; it is only the form in which the increased difficulty of getting capital presents itself according to the complicated relations of a civilised state.

3761. Is your Lordship of opinion, that when the expression is used that there is less capital in the country, it is not gold which is meant, but capital generally?—That expression is very frequently used very loosely and inaccurately; I am quite aware of that; but if used in a rational and proper sense, it either means that there is a greater demand for capital, a desire to carry on more enlarged operations, or it means that there is an absolute diminution of capital; it is the same thing in reality, namely, that the relation between the supply and demand of capital has been altered.

3762. Is that demand from persons who have no capital, or from persons who have capital?—It may be from either.

3763. But, generally speaking, persons who have no capital have very little opportunity of raising money, have they?—That is certainly not so. The whole principle of banking is to afford capital; to transfer it from the inactive accumulator of capital to the active and energetic person who wants the capital; the banker is the go-between who receives deposits on the one side, and on the other applies those deposits, entrusting them, in the form of capital, to the hands of active, energetic persons, who he thinks will make a good use of it.

3764. Who have no security to give?—Who have, in many instances, no security to give, except their character, and skill, and talents, of which the banker forms his judgment.

3765. Is that the ordinary practice of banking in this country?—Yes; it is the mode in which I have carried on banking to a great extent.

3766. To persons of character, who have no other security to give?—To persons of character, who in some cases have no security to give; but who, in all cases, have no security to give equal to the amount advanced to them, except that best form of security, their character, their energy and their prudence.

3767. Your Lordship gave the rate of discount at various periods; could you add to that interesting information, by giving us the rate a little further back, namely, from 1797?—I gave it from 1783.

3768. Your Lordship stated that there was a very high rate of discount in 1783, in 1793, and in 1797?—Yes.

3769. And in 1825, in 1836, and in 1839?—Yes.

3770. Your Lordship also gave the oscillations in the rate of interest, from 1821 downwards?—Yes.

3771. Could you carry those oscillations a little further back in the same way?—No; I have not got that return beyond 1821.

3772. You do not remember what oscillations took place between 1797 and 1821?—No; but I know that they were enormous.

3773. Could you furnish the Committee with them?—I doubt very much whether I could. The fact is perfectly notorious, that the rate of interest during the French war was very high indeed.

3774. The commercial rate?—Yes, the rate in all respects.

3775. The Bank rate was not?—The Bank rate was limited by law; the result of that was, that instead of money being employed in the discount of commercial bills, it was forced into employment in other ways, especially the employment of lending it upon stock to enable the speculators to carry over the great Government loans.

3776. Could you furnish the Committee with those rates, do you think?—No, I do not think I could. In the first place you could not get them quite specifically, because they were in this very peculiar form; it is perfectly well known, that it was what was called "continuation," that is to say, it was virtually lending money upon the security of stock, but it was lending money in the form of purchase and sale; there is no doubt at very high rates indeed; 7, 8, 9, 10, and 12 per cent., were continually obtained in that way.

3777. Between 1797 and 1816?—During the French war, and subsequently to the French war also; till the matter subsided in the course of a few years.

3778. When people complain of the Act of 1844, do you understand them as complaining that the Bank is compelled to act more in conformity with the Act of 1819 than it did before 1844?—I must leave those who complain of the Act of 1844 to explain for themselves the reason of their complaint.

3779. Is not it the object of the Act of 1844 to oblige the Bank in its business to conform more entirely to the state of the bullion in the coffers of the Bank?—The object of the Act of 1844 I have already stated in the early part of my examination in detail. The final object of it is to establish such a regulation as shall effectually secure that the paper money of the country shall fluctuate in amount, in correspondence with the fluctuations in the bullion.

3780. And it does so more precisely than it did in the period antecedent to 1844?—Certainly.

3781. That may, perhaps, in some degree account for the greater number of changes in the rate of discount, if they have been greater?—That is compelling me to go over the explanation again. In the first place, I very much doubt the fact of the greater number of changes.

3782. I said, if they have been so?—If they have been so, I must again go into the analysis of them. The great changes are distinctly attributable to the increased demand for capital. The great developement of the trade of this country and of the trade of all the world, during the 13 years that the Act has been in force, is an abundant explanation of the immense increase in the demand for capital, and therefore in the high rate of interest. But with regard to the mere fluctuations which are connected directly with an alteration in the quantity of money, that they are very frequent, is probably true, but they are very small in extent, and the frequency of them, as I have said before, is the very essential principle of their utility. It is their very vital principle, that they should commence at the very moment when the drain upon the bullion begins; and that by commencing at that very moment, they should restrict the drain of bullion within moderate limits; the frequency of their occurrence is the very vital principle of their utility.

3783. Then the Act of 1844, by obliging the Bank to conform more precisely

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to the amount of its metallic store, which is constantly varying in amount, will in some degree account for the more frequent changes in the rate of discount? —When we come to the Act of 1844, I cannot admit anything about the Bank and its metallic store. After the Act of 1844 the Bank has no metallic store.

3784. What I mean by the metallic store is, the store in the Issue Department of this country. The fact of the Bank of England being obliged by the law of 1844 to conduct its business more in relation to the metallic store in the country, will in some degree account for the frequent changes in the rate of discount?—The effect of the Act of 1844 in that respect I understand to be this: that the moment any diminution in the money of the country takes place, in consequence of an adverse drain, then, under the Act of 1844, the money of the country being absolutely diminished, a rise in the rate of interest immediately takes place. Previously to the Act of 1844, the occurrence of that rise in the rate of interest was delayed in consequence of the Bank continuing to put out notes to take the place of the bullion which had gone abroad, the effect was a delay as to the period at which the rise of interest would take place; but in consequence of that delay, the rise in the rate of interest in the end was greater than is now necessary when it takes place at an earlier period.

3785. But as the rate of discount is only temporarily high, according to your Lordship, if the Bank is stimulated to appreciate more nicely the different changes in the value of money, and to raise its rate in proportion to the metallic store, that will tend to a more frequent change in the rate of discount, although under the previous system the rate might be higher?—I have already stated, that the object of the Act of 1844 being to make the paper money of the country sustain a diminution, both in amount and in period, precisely the same as would be sustained by the metallic money of the country, of course an increase in the value of money arises the moment the money begins to undergo a decrease of amount. Therefore, under the provisions of the Act of 1844, the rise in the rate of interest, which indicates the increase in the value of the money of the country, from the diminution of its amount, will take place earlier. In consequence of its taking place earlier, it will check the drain sooner; it will therefore permit the drain to go to a less extent, and, by so doing, it will limit the fluctuation in the rate of interest by making the occurrence of it earlier than it otherwise would be.

3786. But the oscillations will be more frequent. If every change in the state of the bullion reserve is appreciated and acted upon by the Bank, must not it necessarily lead to more frequent changes of the rate of discount?—The changes in the rate of discount may probably be more frequent, but on that very account they will be less violent; and I have already stated that I think that the frequency of the oscillations is really an essential principle in their utility; and I have given an illustration which seems to me in point. It is like the rapid and multiplied oscillations of a tight-rope dancer; if you allow him to go on for some time, instead of righting his position the moment it is disturbed, he will lose his balance and tumble over; and it is precisely so with your monetary system.

3787. You have stated that the paper of the country should be regulated in precise proportion to the metallic money?—Certainly.

3788. Could the commercial operations of this country be carried on if there were no paper money at all?—They could be carried on with perfect ease in every respect, except the mechanical difficulty of carrying about a cumbrous and weighty instrument, instead of a light and convenient one.

3789. You think that there is quite sufficient metallic money in this country to carry on all its commercial operations, without the assistance of paper money?—Perfectly; that is, a sufficient quantity of metallic money will immediately come into the country, if paper money be withdrawn. I cannot conceive how any person can entertain a doubt for a moment upon the subject. What is it with which the commercial operations of the country are carried on? they are carried on with capital; the issuing of paper money does not alter the capital of the country.

3790. Supposing there is no metallic money at all, when we cease from a state of barter, is not some legal tender necessary for the interchange of commodities?—If you assume that you cease from a state of barter, of course there must be something to take its place; but a state of barter is the real state at any time; money is only the means of carrying on that barter.

3791. Our transactions with foreign countries are carried on entirely by barter?—Yes; all transactions are at the bottom barter, and must be so; they cannot be anything else.

3792. There is the instrumentality of a medium of exchange in a domestic currency,

currency, which does not exist in our interchange with foreign countries?—The existence of money renders the transactions of barter far more convenient, but it does not essentially alter the thing at the bottom; commodities must be given for commodities; that must be the bottom of the subject.

3793. With respect to the three drains, from 1819 to 1844, you have stated that they involved three great alarms for the convertibility of the note. Can you give any proof of that, that the alarm at that time was for the convertibility of the note?—It is like asking me to give a proof that the sun rose this morning. It is universally known and recognised by everybody who lived in the commercial or monetary world during that period. It is perfectly notorious that in 1825 the bullion was drained out, and that if there had not been found some 700,000 *l.* or 800,000 *l.* worth of 1 *l.* bank notes, the Bank must have avowed that they had no more sovereigns to give. Then again, as to 1837 and 1839, you have only to look at the returns among your own documents, and you will see the very low point to which the bullion was reduced. It is quite notorious that the public became very much alarmed upon the subject.

3794. The question did not relate to the amount of alarm, the question was as to the cause, and your Lordship has stated that in the midst of the panic of 1825, when it was known that there was a great drain of bullion, the Bank issued a number of 1 *l.* notes. Were those 1 *l.* notes discredited in that state of things?—No. A drain of bullion had taken place through an adverse state of the foreign exchanges, and that not being corrected by a proper management of the circulation. In the early part of 1825, the store of bullion which remained was reduced to a very low amount, to an amount improperly low in two senses; in the first place, it was so low that it created a great alarm among the public with regard to the insufficiency of its amount to meet any further demand which might arise through the state of the foreign exchanges; and, secondly, it was so low that it was not sufficient to meet the wants and demands of internal purposes in the country, those wants and demands being created by a very extraordinary phenomenon at that period,—namely, the enormous increase which had previously taken place in the country issues, which were subsequently suddenly discredited, they being principally 1 *l.* notes, and the Bank of England was called upon to find the means of paying those 1 *l.* notes. The sovereigns were all exhausted, but there happened to remain this lot of 1 *l.* notes of the Bank of England which took their place.

3795. Then, under the most adverse circumstances of a drain of bullion, when it was stated that the Bank was within 24 hours of a state of barter, these 1 *l.* notes which came out of the Bank, so far from being discredited, staved off the panic?—They were not discredited in the slightest degree.

3796. I understood your Lordship to state that on those three occasions the convertibility of the note was suspected?—Yes; the Bank note was not discredited for internal purposes, but it was very seriously discredited for external purposes. A person holding the Bank of England note as a means of obtaining bullion to remit abroad, felt exceedingly anxious as to its command of bullion, but a person holding 100,000 1 *l.* notes for the purpose of internal payment of wages in the country felt no difficulty at all; he said, "They will answer my purpose in that respect."

3797. There is no fear of the convertibility of the note, so far as the domestic exchanges are concerned, provided they are limited in quantity?—There is no fear of the convertibility of the note with regard to the external or domestic exchanges, if they are properly limited in quantity.

3798. Do you trace any connexion during the last 10 years between the amount of circulation by the public and prices?—No, I should think probably not much. Prices of what?

3799. Prices generally?—If you mean by that to raise the question, what is the effect of the quantity of money in the country upon prices, it is no doubt raising a question of some difficulty. I apprehend that the prices of commodities is the last thing which is reached by fluctuations in the amount of money, and it is perhaps very seldom reached, because the other effects produced by fluctuations in the amount of money will correct those fluctuations before you are compelled to resort to the final principle of effect upon prices, always meaning the prices of commodities; the prices of securities are quite a separate question.

3800. What is the object of raising the rate of discount in relation to the correction of the foreign exchanges?—A great deal of fallacy lies in that term

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"raising the rate of discount." You talk of the Bank raising the rate of discount, that is the technical mode of expressing it, but it is not the correct one. The Bank does not raise the rate of discount; it is much more correct to say that the rate of discount is raised upon the Bank. The fact is, that the diminution in the quantity of money in the country raises the value of the money that remains, and the Bank is obliged to conform to that rise in the value of money. The Bank has no power *per se* of raising the rate of discount.

3801. That diminution of the money in the country being instanced in the Bank's own store of bullion?—No doubt; but again I must say, that the Bank of England has no store of bullion under the Act of 1844.

3802. The store of bullion which we see in the issue department?—Yes; when the money of the country is diminished by a foreign drain, that diminution is indicated by notes paid into the issue department, and cancelled, and bullion taken out against those notes and exported.

3803. Then the rate of interest does depend upon the store of bullion?—I am very sorry to trouble the Committee with the constant repetition of the same explanation.

3804. I understood your Lordship rather to deny that proposition before?—No; the proposition which I have laid down is this, that small fluctuations of frequent occurrence probably do arise from variations in the amount of money; but that great fluctuations, great in amount, or great in duration, are almost entirely (I believe entirely) connected with alterations in the relative demand and supply of capital.

3805. Does the Bank ever proceed to raise its rate of discount except under an apprehension of a decrease of the store of bullion in the issue department?—The Bank of England can only raise its rate of discount from two causes, one from an actual alteration in the value of capital, and the other from an alteration in the amount of money. When the money in the country is diminished by a drain, its value increases, and the Bank of England must conform to that alteration in the value of money which is meant by the technical term of raising the rate of interest.

3806. What is the effect of a rise in the rate of discount upon the prices of securities and of goods?—It is very direct and very simple. When the money of the country is diminished, the remaining quantity becomes more valuable; the rate of interest rises; that rise in the rate of interest acts upon public feeling; the public become more cautious, credit and confidence are more or less affected, the remaining money performs its functions more slowly, and in that way the value of money in the country is increased, and increased to whatever extent may be necessary to check the farther export of it, and to bring back again that which has gone.

3807. How does it do so?—It does so in this way. The value of money is increased; the price of interest-bearing securities is affected; it falls more or less. Then the foreign merchants in the country begin to perceive its effect; they write to their correspondents abroad, "Money is becoming more valuable with us here; do not send us other things, send us money; that is the best form of remittance to us now." That money is sent, and that is the very way in which a small rise in the value of money here produces its natural and legitimate correction. The diminished amount of money is by that process corrected, the money is brought back, and everything is put straight.

3808. If that were not so, there would be no object in raising the rate of discount?—I object to the term "raising" the rate of discount. The value of money rises by natural circumstances. The Bank of England have no more power of raising the rate of discount than you or I have; they must conform. As long as they had an unlimited power of issue, they might delay that operation by improperly increasing their issues. The moment they are put under legitimate and wholesome regulations on that point, their power over the rate of interest is gone; they must conform to it.

3809. The expected effect of raising the amount of discount is to lower the prices of securities and of goods?—It is a recognition that money has become more valuable in this country, and in proportion as money has become more valuable, there will be various means taken to get money remitted from abroad, in preference to other things, until that disturbed relation of the value of money in this and other countries is rectified.

3810. The natural effect of money being more stringent is to lower the price of goods?—Yes, that is the principle at the bottom.

3811. The

3811. The present principle of currency is built upon that assumption, I presume?—I am hardly prepared to say yes or no to that question. The present system of currency is built upon a very plain and simple principle, namely, that a certain portion of the precious metals is the proper money of this country, and that paper notes are merely a mechanical contrivance to be used for convenience in lieu of that metal. There is an end of the matter; all the rest are consequences, not causes.

3812. Supposing that notes were issued by the Exchequer to the extent of 14,000,000*l.*, and that 14,000,000*l.* was the base of the credit issues instead of 14,000,000*l.* of Bank of England notes, do you conceive that the system which you advocate would act either better or worse if, under those circumstances, the debt to the Bank was paid off, and the Bank had its entire capital free?—I do not think that it is a matter of the slightest importance, the Bank having what is called its entire capital free. It has quite as much capital free as it wishes to have, or could use properly.

3813. Is it the usual method of a banker conducting his business to have his capital locked up?—Not to have his capital improperly locked up, but I apprehend that the Bank has a superabundant capital at its command for the proper discharge of all its banking functions.

3814. In my former question I meant 14,000,000 *l.* of inconvertible Exchequer notes?—I protest against any inconvertible notes. I think they are about as bad things as can possibly be put forth in the country.

3815. Is it your Lordship's opinion that oscillations in the rate of discount are an advantage or a disadvantage to commerce?—I do not think they are of any consequence one way or the other.

3816. They are oscillations in point of fact, in the value of the legal tender?—They are, as I have said before, mainly oscillations in the value of capital. In their smaller character they are oscillations in the value of the money of the country.

3817. When you pay 7 per cent. for money, you pay 7 per cent. for the legal tender?—Yes. Money and the legal tender, I suppose, are to be considered synonymous terms. You pay it for that, but you pay it for that only as an instrument to an end, just as you carry an umbrella over your head, not for the pleasure of carrying it, but to keep the rain off; so you get your money, not for the sake of carrying it in your pocket, but for the sake of commanding the possession of capital.

3818. The rate of discount has reference to the price at which the legal tender can be obtained?—I think you had better keep to the word "money." I do not know what may be meant by "legal tender."

3819. Will your Lordship be kind enough to define what you mean by "money," because at times I observe you use the word "money" in relation to our foreign transactions, and at times you use the word "capital"?—I never confound those two. I shall be very glad to refer to any answer in which I have confounded them, in order that I may correct it, but I do not believe that I have done so. Money I apprehend to be this: it is necessary for carrying on the relations of civilised communities, that there should be some one universal equivalent which is taken as such by all countries, and the precious metals are taken and adopted in that character. Then the various conditions of different countries assign a certain portion of the precious metals of the world to each country, and the portion so assigned to each country for the purpose of acting as the universal equivalent, is the money of that country.

3820. I was induced to ask the question, whether you considered the oscillations in the value of money to be a good thing or a bad thing for commerce for this reason. If 14,000,000 *l.* of Exchequer notes would lead to less variation in the rate of discount, what would be your opinion respecting them?—They would not create any difference in that respect. I understand the 14,000,000*l.* to mean 14,000,000 *l.* of notes not payable in specie on demand.

3821. Yes; I wish to know what would be their effect?—If I understand the question, it is this: how would things work under a system in which you had 14,000,000 *l.* of notes not payable in specie on demand, and a further amount of notes equal to the amount of bullion, whatever it might be, which were payable on demand.

3822. The Exchequer notes would be payable in taxes, and would constitute a legal tender?—As a mere practical question, let us try to trace it out, and to see how it would work. How would those two different sorts of notes, different

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in their character, different in the privileges attached to them, circulate at par value with each other. It is quite clear that there would be a discount upon these notes in the first place; they would not answer the purpose of a circulating medium; it would throw everything into confusion in the very first stage of the process; that would be the first difficulty. The next difficulty would be this: the moment a drain of bullion takes place, of course it must take place by the paying in, and the cancellation of all the ordinary notes payable on demand. So far as that is concerned, it would be exactly the same as now. You would have two sorts of notes circulating in the community different in their character, and therefore there would be some premium between one and the other. It would create a state of confusion which would be exceedingly inconvenient, and which I am quite sure would not be tolerated by the community for three months.

3823. I understood your Lordship to say that there was no difficulty in the Bank note circulating in the country irrespectively of its convertibility; that it had done so in 1825, at a time when its convertibility was virtually endangered?—No doubt. It is quite true that the privilege of convertibility will not be called into action in every case; but when once you put forth into the community two sets of notes, one carrying with them convertibility, and the other not carrying with them convertibility, depend upon it those two notes will not circulate indiscriminately with the public; the public are very shrewd, and will very soon draw a distinction between the two.

3824. Suppose that there was a limit in the quantity?—Even if there was a limit in the quantity it would not alter the matter, because there would be no limit in the aggregate quantity of the two together.

3825. Supposing, the average of the circulation having been, say from 22,000,000*l.* to 25,000,000*l.* the last few years, upon that there was a limit to the power of the Bank to issue bullion, do you still think that those notes would be inexpedient?—They would generate a state of utter confusion which could not be tolerated for three months.

3826. Do you remember what has been the average active circulation of the Bank of England for the last three or four years, from 1853?—They have issued upon securities 14,000,000*l.* I suppose the amount of bullion may be put down at about 10,000,000*l.* or 12,000,000*l.*

3827. That would be their power to issue?—No; that is their actual issue.

3828. What is the active circulation?—That is the active circulation.

3829. There is so much in reserve?—Where?

3830. In the Bank?—So there is in a great number of other banks. I cannot speak of the reserves. That is the quantity of notes put out for performing the active business of the community.

3831. When there is 20,000,000*l.* of gold making 34,000,000*l.* of circulation, does your Lordship mean to say that the reserve then of the Bank is what the Bank actually requires as reserve?—Yes; under the circumstances of the case, it is what is required as a reserve. I mean to say that every note put out against bullion in the Bullion Department, is in reality in all principle a metallic circulation. The bullion would not be placed in the Bullion Department, except for the purposes of money; it is only represented outside the Issue Department in the form of notes for mechanical convenience; it is to all intents and purposes, when you are inquiring about principles, a metallic money.

3832. Still, supposing the active circulation is 22,000,000*l.*, that is, a circulation in the hands of the public, and not in the Bank of England?—You mean the inactive circulation. The notes in the Bank of England are far more active in meeting the necessities of the public and the requirements of trade, than those which are anywhere else; it is the most active part of the circulation.

3833. Will you describe how?—I will give you a practical illustration: suppose that this Committee was to-day to issue an order for destroying all the notes now lying in the Bank reserve, and that that order was made known in the city of London to-morrow morning, what would be the result; what would the bankers do? They would every one of them go into the city in a state of perfect panic, and would say, "God bless me, I have lost my balance at the Bank of England; it is all gone; it is destroyed by an order of a Committee of the House of Commons." What would they do? they would every one of them send their Exchequer bills to their brokers; they would say, "Take my Exchequer bills; sell them; take my stock; sell it; bring me bank notes; I do not know what is going to happen; the Bank reserve is destroyed; I must have

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Bank notes immediately to put me in a proper position." In the meantime their customers would get wind of what was happening, and the next thing would be, that they would come to the Bank, and say, "I want my bills discounted;" they would be met with the reply, "Excuse me; have you not heard what has happened, that the reserve at the Bank of England is all gone, and the reserve of every other bank in London? We cannot discount bills; our bills which we hold must be paid; we must collect Bank notes as fast as we can." What would the Bank of England do? They would do the same thing; they would say, "You must sell our securities." What would be the state of the security market? Prices would go down immediately; everybody would be alarmed. What would then take place? The next day you would have the foreign post. What would the foreign merchant do? He would write to his correspondents abroad immediately, and say, "We are in a dreadful state here; the Bank reserve is destroyed; you must send us money; do not send us commodities; do not send us bills of exchange; do not send us securities; you must send us money." The consequence would be that money would come; the exchanges would be turned, and money would be brought into the country. In that way this Bank reserve, this inactive thing, would operate, and the money would be brought into the country. That is an instance of the effect of the destruction of the Bank reserve. Now, what is the effect of a very large increase of the Bank reserve? You have a practical illustration of it of the most striking kind. Look to the Government letter of 1847. What was the Government letter of 1847? Why, it was an indefinite increase of the Bank reserve. What was the effect? Not one note was put out into what is called its active state. Not one single note passed out of the Bank in consequence of it, but the Bank reserve was indefinitely augmented. What was the result? A miracle was instantaneously worked. The want of confidence was removed, and everything was made smooth and easy. The whole machinery of the credit system of the country, which had been brought to a dead lock, was immediately put in order, and everything went on with perfect ease, solely from the increase of the Bank reserve. Therefore, to hold the doctrine that the Bank reserve is an inactive portion of the circulation is absurd. For all the purposes, and for the conduct of all the business, of the country, the reserve of the Bank of England, and the reserve of all subordinate bankers, is a most important and efficient power.

3834. The panic of 1847 we have understood you to say was commenced by a loss of capital?—No, not the panic of 1847; the great pressure in 1847 arose from a great increase in the demand for capital caused by a variety of circumstances; caused to a very great extent by the extensive transference which had taken place of floating capital into fixed capital in the form of railways; caused also by the great destruction of the crops which had taken place, and the very large sum which had to be paid, which was in point of fact capital, for the supply of the necessary provisions of the country. In that way the very great pressure for capital was created in 1847; the panic in the last stage arose from other and peculiar circumstances.

3835. Then the pressure of 1847 was caused by a paucity of capital in relation to the demand for it?—Certainly.

3836. The Government letter then increased the capital, did it?—No; the rate of interest did not fall in the rapid manner in which the other changes that I have spoken of took place; the Government letter was the medium of medicating to the state of things; it was the medium of relieving that state of panic which had really brought everything to a stand still; and what was the cause of that state of panic? the impression that the Bank reserve was actually exhausted; and what was it that restored things to their order in that respect? it was the simple letter of the Government, the effect of which was to give an indefinite augmentation to the Bank reserve; therefore it shows the extraordinary efficiency of the Bank reserve with regard to the operations of the country.

3837. That increase of reserve was to be purely bank paper?—It was bank paper at the time, but it was bank paper to be issued only under the strict limitation that not a note was to go out under 8 per cent.; had it not been for that limitation we should have had another struggle.

3838. In fact the public look at the reserve of the Bank of England more than at any other part of the return?—They do now, certainly.

3839. They are very much comforted by the increase of the reserve, and they are very much disquieted by the decrease of the reserve?—Yes; because that

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increase or decrease of the reserve of the Bank of England is taken by them as indicating an increase or a decrease in the quantity of money in the country.

3840. Are not they also imagining that the rate of discount depends very much upon the state of the reserve?—The immediate effect upon the rate of discount, but not any permanent effect.

3841. Do not the changes in the rate of discount by the Bank invariably follow more or less the state of the reserve?—The variations in the rate of discount have no doubt a very close relation to the state of the reserve, because the state of the reserve is the indicator of the increase or the decrease of the quantity of money in the country; and in proportion as the money in the country increases or decreases, the value of that money will increase or decrease, and the bank rate of discount will conform to that change.

3842. And the state of the reserve follows more or less the state of the bullion in the issuing department?—There is an intimate connection between them.

3843. *Chairman.*] Before the Committee of the House of Lords on Commercial Distress in 1848, you were asked this question. Question 1634: "Now we see in these Returns before the Committee, that the Bank have varied their interest at different periods from 1½ per cent. in October 1844, to 9 per cent. in January 1848; and the Committee have had evidence that the Bank has actually demanded 10 per cent. from persons applying to it, with the best possible securities. Now, do you consider that the business of any great commercial country can ever be properly carried on with a variation in the rate of interest between 1½ and 10 per cent.?" This was your answer: "I apprehend, in the first place, that the Bank of England has not the power of controlling the rate of interest; that if circumstances occur naturally, producing very violent fluctuations in the rate of interest, the Bank of England, like everybody else who has money to lend, must conform to those rates. The Bank of England is in no way whatever responsible for those rates, and if it were to attempt to control them, the effect would be to make the variations much greater. To the question, whether the commerce of the country can be carried on under such fluctuations of interest as those described, I answer without the slightest hesitation, yes. I have no doubt whatever that, notwithstanding such fluctuations as those which have actually occurred in this country, the commerce of this country will continue to prosper; I have no doubt that the commercial prosperity of this country will be restored, and even be placed on a firmer foundation by the events of last year. I answer further, that such fluctuations of interest do take place frequently in the most prosperous commercial countries in the world. If the Committee will refer to the published monthly circular respecting the rate of interest in the United States during the last year, they will find fluctuations much greater than that; yet the commerce of the United States, there is not the smallest doubt, has been and will be carried on successfully. If the Committee will refer also to Hamburg, they will find that it is precisely the same there, and I believe they will find that in Holland also, though not to the same extent as in the United States and at Hamburg, great fluctuations in the rate of interest periodically take place." Looking back to that answer, does your Lordship see anything which you would wish to alter, or do you consider that that has been confirmed by subsequent experience?—I am very glad to find that I gave so sensible an answer at that time; I have nothing whatever to add to it, and I see nothing in it which I wish to modify; I think all subsequent experience has confirmed it, and I am quite certain that, let the world last as long as it may, all future experience will tell the same tale.

3844. You were asked in the year 1848 whether the variations in the rate of interest were not such as to render it almost impossible that the trade of the country could be carried on; is not that the same sort of question which we are now asked with respect to the operation of the Act of 1844?—No doubt; the idea of the trade of this country being seriously interfered with by any fluctuations in the rate of interest is entirely unfounded.

Veneris, 10° *die Julii*, 1857.

MEMBERS PRESENT.

Mr. Blackburn.	Mr. John Lewis Ricardo.
Mr. Cayley.	Mr. Martin Tucker Smith.
Mr. Fergus.	Mr. Spooner.
Mr. Gladstone.	The Chancellor of the Exchequer.
Sir James Graham.	Mr. Vance.
Mr. Hankey.	Mr. Weguelin.
Mr. Hildyard.	Mr. Wilson.
Mr. Hope Johnstone.	Sir Charles Wood.

THE RIGHT HON. THE CHANCELLOR OF THE EXCHEQUER, IN THE CHAIR.

The Right Honourable Lord *Overstone*, further Examined.

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3845. *Chairman.*] HAVE you any explanation to give with reference to your evidence of last Tuesday?—I wish to refer to a passage in my examination on the last occasion, in which, speaking of the various fluctuations in the rate of interest, and the imputation that the Bank had resorted, under the compulsion of the Act of 1844, to fluctuations in the rate of interest which had not existed previously, I made a reference to a long section in Mr. Tooke's book upon that subject, in which he criticised a charge of that nature when urged by Mr. Hume. I have now brought with me the volume in which that section is found, and the section itself is so interesting and so important, that I should be glad to read it to the Committee. At the same time, as it occupies 13 or 14 pages, I can hardly venture to ask leave to do so, but perhaps I may be allowed to put it in the hands of the Chairman, with the discretionary power on his part to append it to the evidence if he thinks fit. The section begins in the following words, sarcastically alluding to this charge on the part of Mr. Hume. He says, "Mr. Hume throughout the whole of his speech seems to be impressed with, and to inculcate, the opinion that the Bank of England, by its several notices of the rates at which advances on loans would be made, or bills discounted, really could or did originate or cause the variations in the rate of interest and discount, upon the extent of which variations he descants, as being productive of the most injurious consequences." That is the opening of the section, and it closes with these words: "A country like this having an extensive foreign commerce, extensive beyond any of which there is an example in history, and beyond any which the most sanguine anticipations could some years back have contemplated as within the bounds of probability," (this, you will observe, is with reference to the commerce of the country before the expansion subsequent to 1844), "must by its intimate relations of capital and credit abroad, participate more or less in the tendency to over banking and over trading, and in the consequent revulsions which may occur in the countries with which we are commercially most intimately and most extensively connected. Considering, therefore, the enormous variations in the state of credit and in the rate of interest which have occurred in the United States of America, and the variations also which have taken place, although not on so extended a scale, on the Continent of Europe generally, it ought surely not to be a matter of wonder that some variation, and an inconvenient degree of it, should have occurred in this country."

3846. Mr. *Wilson.*] Do you understand that Mr. Tooke has contended since that time against the policy of a variation of interest?—I am perfectly aware that in the later works of Mr. Tooke, with which I am not so conversant as I am with his earlier works, because I do not entertain for his later opinions the same respect that I do for those of his more mature mind, there is a very great dissidence of opinion. The fact is, that Mr. Tooke is, upon this subject of science, very much like our great artist, Mr. Turner, upon the subject of art; he has

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his later manner as well as his middle manner. It is with regard to Mr. Tooke as it is with regard to Mr. Turner, that those who are the best informed and of the soundest judgment speak with less disrespect than they otherwise would of his later works, on account of the respect and reverence in which they hold those which were produced in the more mature state of his mind.

3847. But so far as Mr. Tooke's opinions have been represented to this Committee by a witness who has appeared before it, I am not aware of anything that he has said which should induce the Committee to suppose that he entertains any opinion that the rate of interest should not vary from day to day, or from month to month, as the demands of capital may increase or diminish. I believe the only limit which he has placed upon it (in which I do not agree with him), as appears by the evidence here, is that the Bank should observe the minimum rate of 4 per cent. I believe that is the full extent to which the evidence of Mr. Newmarch went before this Committee. I think there is nothing inconsistent with that in the passage which you have just read, so far as variations in the rate of interest above 4 per cent. may take place?—My remarks recently made had reference to the examination in the latter part of the last day, in which I referred to the variations in the rate of interest. I understood that it was imputed as a great fault in the Act of 1844, that it had caused much more violent fluctuations in the rate of interest than had existed previously, and that those fluctuations were a great national calamity. My reply to that was, first of all, a denial of the fact; and, secondly, the statement which I endeavoured to support by the opinion of Mr. Tooke, that great variations in the rate of interest had occurred previously to 1844; that they were inevitable under any management of the paper money of the country; and that they really were phenomena necessarily connected with a country of extended capital and great enterprise, and especially a country in which a rapid creation of wealth is going on.

3848. Do you happen to remember the year in which the usury laws were repealed?—No, I do not remember the exact date of it; there was a partial repeal at first, and a total repeal subsequently. I do not remember the exact dates.

3849. Prior to 1835, I believe they were repealed. Did not the existence of the usury laws very much interfere with the power of the Bank of England to regulate its rate of interest according to the state of the market?—It interfered, of course, with the power of the Bank of England to regulate its rate of discount.

3850. So far as the banking operations of the Bank of England went, it interfered with its power to regulate the conditions upon which those banking operations were conducted?—I do not fully understand the drift of that question. I know of no operations of the Bank of England but its banking operations. There is no doubt that the effect of the usury laws was to render it impossible for bills to be discounted avowedly and directly at a higher rate than 5 per cent., but they did not interfere with various other modes of affecting the state of the money market; for instance, that of shortening the *échéance*, as it is technically called, of the bills which were discounted, and that of refusing to discount for parties more than a given amount, not upon the ground of the want of credit, but because the Bank could not discount more than a given amount for the whole community, and it must be divided amongst the different members of the community. Neither did the usury laws at all affect the power of the Bank to lend money in other forms which might yield a higher rate of interest than 5 per cent.

3851. But so far as regards either the discount of bills or loans upon securities, which constitute the great business of the Bank of England, it was limited in its operation to 5 per cent.; and therefore, so far its discretion, with reference to varying the rate of interest, was limited by the usury laws with regard to its transactions?—The facts of the case are perfectly clear and distinct. You could not avowedly charge more than 5 per cent. upon any advance of money, but there were endless varieties of ways and forms in which money might be advanced and was advanced at a higher rate than 5 per cent.

3852. Those forms could only be, as far as the Bank of England was concerned, indirectly by the purchase of securities at a depreciated rate; and, as far as other bankers or brokers were concerned, by adding a commission to the rate of interest which they charged?—As I have already said, there were various indirect modes of acting upon the state of the money market; that is to say, of raising the amount of discount. There was the mode of charging a commission upon

upon the bills discounted. Then there were various other modes of lending money; in reality, lending money, but under the form of purchase and sale.

3853. But there is no doubt, is there, that the usury laws did operate as an impediment to the free and convenient operations of loans through the Bank of England, which was not in the habit of charging commission, and did only charge a rate of interest?—There can be no doubt that the existence of the Usury Laws was a very serious and a very improper impediment to the free distribution of capital by the channels and through the forms which it would otherwise naturally have assumed.

3854. Is it a fair definition of the rate of interest, to say that it is the price paid for the use of floating capital for the time being?—I am always afraid of expressing, without a great deal of consideration, definitions upon a question of scientific principle. No doubt, speaking generally, not being bound to the exact accuracy of the very words used, the rate of interest is the price paid for obtaining the command of capital.

3855. And there is no reason whatever, that you are aware of, why the price for the use of capital should be fixed, any more than the price of any other commodity which is subject to the fluctuation in its supply and demand?—None whatever.

3856. Is it not the best security against scarcity, that in proportion as an article is scarce, the price should rise, in order not only to encourage economy in its use, but also to encourage further supplies from extraneous sources?—The question is now assuming the shape of a discussion upon the subject of the primary principles of political economy. That free trade in an article is the best mode of securing all the results with regard to it which you desire, is a principle which I fully adopt.

3857. Is it not advantageous to the country at large, if there is a scarcity of loanable floating capital, that the price of it, that is to say, that the rate of interest should rise in proportion as that scarcity is experienced?—Capital is like everything else; the regulation of the proportions between the supply and demand is best accomplished by leaving it to the free action of the market.

3858. And the only sound principle with regard to the price of capital, like anything else, is the relation which supply and demand preserve to each other?—Yes.

3859. A question was asked on the last day whether, if the profits of business were 5 or 7 per cent., it would not make a great difference in the operations of the merchant whether he paid 4 per cent. or 6 per cent. discount for his bills; must it not be taken into account that the discount of a bill refers only to a short period, (I suppose we may take the average of the period of bills as not exceeding three months), and that therefore any increase in the rate of interest would really bear the proportion to the profits of the transaction which the period that the bill had to run bore to a whole year?—The question, of course, involves a great number of points; if a person has to discount his bill for the purpose of finding capital for business, in all probability he has to go through a series of such discounts successively; therefore we must first consider whether we are dealing with a single act of discount or with an act of discount forming a link of a long chain of similar transactions; but there is no doubt about this, that if you can assume a state of high rate of profit accompanied by a facility of obtaining capital at a very low rate as the means of making that profit, that is an exceedingly desirable state of things to the person who borrows capital to trade with; but it is a state of things which is incompatible and inconsistent with itself; a high rate of profit will always create a great demand for capital; a great demand for capital will raise the value of it.

3860. But the rate of interest in point of fact is in the long run governed by the rate of profit?—Yes; the rate of interest is governed by the proportion between the demand and the supply of capital, and the rate of profit, no doubt, is an important ingredient in settling that question.

3861. Suppose that a merchant sell his goods for 1,000 *l.*, and, instead of receiving cash, he receives a bill at three months, which he has to discount. Suppose that he receives 6 per cent profit upon the goods, and has to pay 4 per cent. upon the bill, the difference between the rate of 4 per cent. which he would pay for the discount in the one case, and 6 per cent. which he would receive in the other, would be only ½ per cent. upon the transaction, would it?—I dare say that is a correct calculation; it may be considered to be so.

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3862. Therefore, so far as affects profits, the difference in the rate of discount by no means represents the difference in the rate of profit?—The rate of profit is dependent upon other circumstances no doubt than the rate of discount; the only thing is, that if a person is trading with borrowed capital, if you assume a given rate of profit, of course the ultimate result to him will be affected by any variations in the rate which he has to pay for the borrowed capital.

3863. But if his profit be 6 per cent. upon the transaction, and he has to discount his bill at three months, the discount for the three months only represents the interest for a fourth of the year, and therefore the difference between the two rates of interest will only be one-fourth of the apparent difference of the rates?—No doubt, if you assume that capital is employed for a year to make 6 per cent. profit, and that for one-fourth part of the year he has to pay a certain rate of interest for borrowing the capital, any fluctuation in the rate of interest which he pays for that one-fourth part of the year, produces only one-fourth part of the effect upon his ultimate profit that it would do if he had to borrow it for the whole year.

3864. I think you have stated that a high rate of interest indicates a high rate of profit?—No; I have not stated that. I have stated that a high rate of profit has a strong tendency to produce a high rate of interest. I have not stated that a high rate of interest is always indicative of a high rate of profit, but they have a very intimate relation to each other; there are other circumstances which will affect it.

3865. Could a high rate of interest be permanently maintained in the face of a very low rate of profit?—I should think not.

3866. Therefore, a high rate of interest permanently maintained, indicates a high rate of profit?—I should think that a high rate of interest and a low rate of profit could not permanently co-exist.

3867. Therefore, a permanently high rate of interest would indicate a high rate of profit?—Other things being assumed to be unchanged.

3868. Therefore, supposing that a man is carrying on his business partly with borrowed capital and partly with his own capital, a high rate of interest will be to him, so far as his own capital is concerned, an absolute advantage?—I do not quite see the drift of the question; a high rate of interest to a man trading upon his own capital, I think, would not affect the question of that capital, because the return for his capital would depend upon the profits of business; the high rate of interest would affect only that portion which he borrowed.

3869. A high rate of interest is indicative of a high rate of profit?—We must take care of the full force and meaning of the expression "indicative."

3870. If a permanently high rate of interest is indicative of a high rate of profit, would it not be the case that a person trading with his own capital would have the advantage of the high rate of interest, plus the ordinary profit beyond the rate of interest?—If the rate of profit is high, a person trading with his own capital gets the benefit of that high rate of profit; if the rate of interest is high, so far as he trades with borrowed capital, he has to pay that high rate. The thing is perfectly simple. I do not see the drift of the questions, nor do I see the difficulty of them.

3871. Then, so far from its being a ground of complaint on the part of those who are trading with their own capital, or, in a great measure with their own capital, that the rate of interest is permanently high, it ought rather to be a source of congratulation?—It not only ought to be, but I do not suppose the world ever presented such a phenomenon as a man trading entirely with his own capital who complained of a high rate of interest.

3872. The question also assumed the case of those trading partly with their own capital and partly with borrowed capital?—Then you have to take the proportions; the person is a sufferer, so far as he trades with borrowed capital, and a gainer so far as he trades with his own capital.

2873. He would not be a sufferer if the rate of profit was sufficient to compensate him for the high rate of interest?—No doubt; the answer is involved in the question.

3874. In your Lordship's last day's evidence, in answer to Question 3646, you stated that you understood the main principle of the Act of 1844 to be, to make the variations in the amount of paper money conform to the variations of the metallic currency: you are not of opinion that the convertibility of the note alone would effect that object?—No, certainly not; the experience of the history

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of this country in an endless series of instances is directly contradictory of that.

3875. When you say, conform to the metallic currency, do you mean conform in value?—I mean conform in amount; and the value of the paper currency results from its being kept at the same amount as the metallic currency would have been.

3876. Are you of opinion that as long as the convertibility of the paper is maintained there can be any difference in the value between the paper portion of the currency and the metallic portion of the currency?—None, so far as internal purposes are concerned.

3877. Of course the paper portion of the currency is not applicable to external purposes at all?—Clearly not.

3878. But for all purposes of internal circulation the paper, as long as it is convertible, must be identical in value with the coin?—No doubt it must; but we must remember that the great principles of the Act of 1844 had reference to the question of the value of the currency of this country with reference to the currency of all the other countries of the world; in other words, that they had reference to the circumstances and considerations which affect the state of the exchanges.

3879. What do you include in the term "currency;" do you include the notes and coin in the hands of the public only, or do you include the coin in the Bank of England as well?—I consider the Bank of England as a very important personage amongst the public; I know no difference between the Bank of England and my own bank, so far as that is concerned.

3880. Do you include the bullion in the Bank of England as part of the currency?— Precious metal in the Banking Department I consider to be currency, but not bullion in the Issue Department; because, against that, notes have been issued as representing it.

3881. The uncoined bullion?—Coining has nothing whatever to do with the question. Coining or non-coining is a mere question of mechanical convenience.

3882. But bullion is not a legal tender; coin is?—That is a mechanical question. Suppose I have an ingot of gold, and I tender it in payment of 10,000 *l.* of bank notes and the man says, "That is not a legal tender," and I have to coin it, that is a mere mechanical question; it has nothing to do with the principle with reference to the distribution of the precious metals, which is the real principle at the bottom of this subject.

3883. Then you consider that the whole of the bullion and the supplies of coin and of notes constitute the entire circulation of the country?—I think that if we were to substitute the word "money" for the word "circulation," it might perhaps assist us in keeping our ideas clear. I consider that to be the money of the country which is held in a state of readiness at all times to be used as the great universal equivalent; that which will purchase and pay for everything else.

3884. Would you include bullion in the hands of a private party?—No; it depends entirely upon that supposition. I apprehend that any person importing bullion into this country, if he intends it to be held in readiness for the purpose of discharging the functions of the universal equivalent, will, as a matter of course, deposit it in the Issue Department of the Bank of England, and assuming that to be true, I look upon none as money except the bullion which is so deposited, and that bullion is represented by notes issued against it. If a merchant retains the bullion in his own possession, I conclude that that is the strongest presumptive evidence that he retains it for other purposes than to act as the great universal equivalent.

3885. But so far as principle is concerned, an ingot of gold in the hands of an importer would be as much a legal tender, and as easily converted into coin as in the hands of the Bank of England?—No, not whilst held in the hands of the merchant. The moment he deposits it in the Bank of England, or the moment he takes it to the Mint, then he converts it into the part of the great universal equivalent, which constitutes money.

3886. I understood your Lordship to say that the reason why an ingot was the same as coin was, that if it was offered in payment of a debt and refused, because it was not a legal tender, it would only require the mechanical operation of coining it. Would not that apply as much if it was in the hands of a private person as if it was in the hands of the Bank of England?—It is not a question

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of the party in whose hands it is; the question is, in what character, and for what purpose it is retained and held. If I have a piece of gold plate on my dinner table, that is not money; but no doubt I might send that gold plate and have it melted down into an ingot, and so deposited in the Bank of England; then I should convert it into a part of the great universal equivalent and convert it into money by that process. The question is the purpose for which it is held.

3887. You are aware of course that the Bank of England pay 3 *l.* 17 *s.* 9 *d.* per ounce for bullion, and sell it at 3 *l.* 17 *s.* 10½ *d.*?—Yes.

3888. Has it not been the case since bullion has become so large an article of commerce, that private individuals, during the last two years, have for a short period held bullion without taking it to the Bank, in expectation of a foreign demand at the full price at which they could purchase it from the Bank?—I am not conversant with those facts; I cannot say whether that is the fact or not; but it is quite possible that it may be the fact. We must, first of all, in discussing a question of this sort, lay down clearly and distinctly the principles upon which it depends; then, no doubt, facts may always be discovered which lie upon the border of those principles, and you may put facts which are in such an equivocal position, that it may be almost a matter of doubt whether they come within the principle or whether they do not; but that does not shake or invalidate the great principles; and we never can come to any rational conclusions upon a subject of this sort unless we eliminate from our minds all reference to those equivocal facts, and fix our minds clearly and distinctly upon the great and plain principle which underlies the whole subject. In the supposition put, the bullion is imported and exported by the private merchant as any other ordinary article of commerce; it does not assume the unequivocal character of money, or the universal equivalent.

3889. Is it not part of the great and plain principle, whether bullion is money or not, and not merely whether it is money in the hands of the Bank of England or in the hands of any other banker in London?—Bullion may or may not be money, just as paper may or may not be a bank note; it depends entirely upon the form and purpose for which it is retained and held in readiness.

3890. Then you do not at all agree with those witnesses who have been before this Committee who considered that the circulation consisted of the notes and coin in the hands of the public, as distinguished from those in the Bank of England?—No; I think that is quite alien from all sound and rational views of the subject.

3891. Prior to the Act of 1844, what did you consider as the paper circulation of the country?—That at once leads to the question, whether bank notes lying in the till of the Banking Department of the Bank of England are part of the money of the country; if you raise that question, I have no objection to discuss it. I have no hesitation in saying that they are not only a part, but a most important and vital part of the money of the country.

3892. In your evidence before the Committee of 1840 you gave in a paper to the Committee which showed certain variations between the circulation of paper money of the Bank of England and the bullion held by the Bank; do you remember that paper?—I do not.

3893. In that paper a comparison was made between the notes of the Bank in the hands of the public and the bullion held by the Bank; and it was contended, not only by your Lordship but by other witnesses, that those notes in the hands of the public ought to fluctuate in the same way that the bullion in the Bank fluctuated; was not that so?—There is no doubt that when there were no means whatever of knowing what was the Bank reserve, we were obliged to discuss the subject upon the facts and data which we could obtain, and the only knowledge which we could then obtain was the amount of notes out of the Bank of England; but I stated, in reply to your questions on a former occasion, that when the accounts were reduced into a correct and rational form, the notes in the till of the Bank of England would form part of the circulation, and that it would be a very satisfactory thing when we arrived at a clear and distinct knowledge of that important part of the circulation.

3894. I think you held it then as conclusive of mismanagement on the part of the Bank if the notes in the hands of the public were not contracted in the same measure as the bullion in the hands of the Bank?—The principle is perfectly obvious and distinct. We saw the very improper and unsatisfactory state of the monetary system of the country; we maintained that that unsatisfactory state consisted essentially in the nonconformity of the paper money of the

country

country to the fluctuations of the bullion. The only means that we had of judging of the quantity of paper money in the country was by looking at the paper money outside the walls of the Bank of England; and therefore we reasoned with regard to it; but it was always accompanied with the qualification that the paper notes in the till of the Bank of England must be an important part of the matter, and it was very unfortunate that we had no knowledge of it.

3895. Taking the corresponding element now, namely, the notes in the hands of the public, since the Act of 1844 can you discover any coincidence in the fluctuations of the notes in the hands of the public out of the Bank, and the fluctuations of bullion?—I have not looked into it especially with that view, because I do not think it is a matter of the slightest importance. We know this, not as a matter of reasoning or of induction, but as a matter of positive fact, that, under the operation of the paper money of this country, as regulated by the Act of 1844, we have effectually accomplished those results which we wished to accomplish; and those results, the non-accomplishment of which constituted all the evils and grievances of preceding crises of our monetary system. It is very possible, indeed it is very natural, that during the early part of a period of pressure and drain the notes outside the walls of the Bank of England should not diminish; and it is upon that very fact that I ground distinctly and emphatically my maintenance of the principles of the Act of 1844, and my declaration of their absolute necessity for the safety of the monetary system. What is the natural course of things? When a pressure arises, every banker (the Bank of England is nothing more than a banker upon a large scale) is desirous, as far as he properly can, to meet the wants of his customers, and to satisfy their expectations. To do that he strains his banking reserve as far as he thinks he can safely do so; and when he finds that he can do so no further, then he must either contract his accommodation to his customers, or he must realise other securities to strengthen his means of assisting them. That is the natural and obvious course of things. Now, previously to the Act of 1844, whilst that principle was in operation upon the Bank of England, the reserve of the Bank of England was undefined and unlimited; the Bank of England had the power of supporting its accommodation to its customers by an unlimited issue of notes. When I say an unlimited issue of notes, I mean limited by no other restraint than the final and ultimate obligation of paying them in gold. The Bank went on doing this, no difficulty arising with regard to the extent of its banking reserve, and it went on making these advances of its notes, until by that process the bullion in the Bank of England was reduced to an extent which created very great alarm and panic amongst the public, and then through that action upon the public a correction very possibly took place, but not always. Since the Act of 1844 has been passed, the Bank reserve is distinctly defined and limited, and instead of allowing the pressure to come upon the reserve of the bullion, the pressure comes upon the reserve of the Bank of England, which everybody knows, and everybody watches. It therefore produces its moral as well as its direct, and what I may call its mechanical effect, and by that means, from having defined and made known to the public the reserve in the Bank of England, we are enabled to exercise an influence upon the exchanges, and to protect the bullion from that extreme exhaustion to which on all occasions previously to 1844 it was exposed. That is the very fact upon which the merit and the efficiency of the Act of 1844 rests. When persons bring forward that fact as an objection to the Act they are in the situation of persons who come to curse, but the very force of truth compels them to bless.

3896. Do I correctly understand your Lordship, that you give up the argument which you used in 1840, that the fluctuations in the notes out of the Bank of England ought to conform to the fluctuations in the amount of bullion?—I give it up so far as this,—if that is the meaning of giving up, it is really completing the statement, in no respect giving it up—that now with the means of information which we possess, the notes out of the Bank of England must have added to them the notes which are in the banking reserve of the Bank of England.

3897. Are you not aware that for some time before the passing of the Act of 1844, a separation of the departments in the Bank of England was made as a matter of account, in the same way as has been done since?—I have not had my attention drawn to it for a great number of years, but I have a general recollection that previously to adopting the Act of 1844, when the principles upon which that Act was subsequently founded were brought under serious discussion, and were recommended, the authorities of the Bank very naturally and properly began to

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try by a little memorandum account of their own how they expected that this matter would work; but it was an act entirely amongst themselves; it was an act not laid before the public, and therefore in no respect exercising any influence over the public mind, or the action of the public.

3898. It was a plan which they voluntarily adopted of managing their business? —No; I do not apprehend that it was a plan for managing their business at that time, but a tentative account for their private information. I am of course speaking ignorantly, because I was not in the Bank Direction. My impression of it is, that it was an account made out for the purpose of trying, before it had the validity and obligation of law given to it, how such an account would work, and how under such an account the Bank Directors could undertake to be responsible for the management of their concern. It was a very natural process, very simple and intelligible.

3899. You do not hold the opinion that the notes in the hands of the public ought to fluctuate now in relation to the fluctuations of the bullion in the Bank? —The opinion which I hold is perfectly plain and distinct, that bank notes are nothing more than certificates of bullion in deposit, and that they ought to fluctuate exactly as the bullion fluctuates.

3900. I speak of the bank notes in the hands of the public?—But I never do speak of them in that sense of the word, because I maintain distinctly that the Bank of England is itself a most important portion of the public.

3901. Still you admit that the whole of the evidence prior to 1844 proceeded upon the notes in the hands of the public only?—Yes; it proceeded upon the notes in the hands of the public only, because that was the only knowledge which we then possessed. But I repeat, what I have stated over and over again, and what you will find I gave in answer to you on a former examination, that we always said that whenever the accounts were put into a correct and intelligible and honest form, we should then have some knowledge of the Bank reserve, and that that Bank reserve was a very important part of the question.

3902. Then it does not necessarily follow that the charges brought against the Bank of mismanagement prior to 1844, simply because the notes in the hands of the public did not conform to the variations in the bullion, were quite correct? —No; but then it was for this reason, the notes in the hands of the public then were the only means by which, with regard to the regulation of the paper issues, we could act upon the exchanges. We had then no knowledge of the state of the banking reserve, and whilst the public had no knowledge of it, the fluctuation in the banking reserve was of no efficiency in the management of the circulation. But the Act of 1844 has given the public the means of knowing the fluctuations in the banking reserve, and we now obtain through that, that certain regulator of the paper issues of the country which previously to 1844 we had not. Therefore previously to 1844 there were no means of acting upon the exchanges except two, one of which was the final means or alarm with regard to the exhaustion of the bullion, and the only protection against that, under those circumstances, was the other means, viz., the absolute reduction of the paper issues outside the walls of the Bank.

3903. Had we not before 1844, as perfect a knowledge of the fluctuations in the bullion in the Bank as we have had since?—I do not know what the state of the accounts was before 1844.

3904. Did not the monthly accounts before 1844 give the amount of bullion in the vaults of the Bank?—I am not sure whether they did or not. The subject to which these questions are directed, of the effect before 1844 of keeping a blended account, and the effect subsequently to 1844 of keeping a separate account, is really a very important one. This morning, before I came down, thinking over the subject of my probable examination, I sat down, and remembering the great maxim of Bacon, that writing makes an accurate man, I spent an hour in writing down the heads of my view upon that subject. If the Committee will excuse me, I will endeavour from those notes to make a statement upon the subject.

3905. Perhaps you will allow me to ask you one or two preliminary questions. In a recent answer you stated that prior to 1844 you were obliged to argue only upon the notes in the hands of the public, because there was no knowledge of the reserve in the Bank; upon which I asked whether it was not the case that the amount of bullion in the Bank was published in the periodical accounts of the Bank?—We will assume that it was.

3906. Was not the bullion the real reserve of the Bank of England to meet its

its liabilities?—The Bank of England before 1844 had an unlimited power of issuing notes.

3907. That is to say, as far as the public would take them?—The public will take the Bank notes; that is, the public will call for and take money to any extent; there is no fear of that.

3908. You have stated on the former day, that if the Bank of England had the power to-day to issue 2,000,000 *l.* more upon securities, it would be unable to get those notes into the hands of the public?—If I have so stated, I have made a great mistake; I hope and trust I have not so stated.

3909. You were asked this question, No. 3691: "You entertain no doubt that the practical effect of enlarging the limit from 14,000,000 *l.* to 16,000,000 *l.*, would be, not to add 2,000,000 *l.* to the paper currency, but to diminish the bullion reserve of the Bank by 2,000,000 *l.*"?—It would be, to add to the paper currency, and to diminish the bullion to the same extent.

3910. The answer is, "No person who understands the elements of the subject, can entertain a doubt upon that point." Therefore you say that it would not add to the paper currency?—I do not know whether the word "not" has crept in improperly or not, but the thing is perfectly clear. The principles which I laid down show what the answer is. The question is, "You entertain no doubt that the practical effect of enlarging the limit from 14,000,000 *l.* to 16,000,000 *l.*, would be, not to add 2,000,000 *l.* to the paper currency, but to diminish the bullion reserve of the Bank by 2,000,000 *l.*?—No person who understands the elements of the subject, can entertain a doubt upon that point." The answer was given upon the understanding and supposition, that it was supposed, that increasing the issue upon securities from 14,000,000 *l.* to 16,000,000 *l.* would add 2,000,000 *l.* to the whole money in the country. To which my answer is, No; and I am quite sure that all other answers will show it. My answer is, No, it will not add one farthing to the money in the country. It will make an alteration in the relative amounts of money advanced upon bullion, and money advanced upon securities. Instead of 14,000,000 *l.* advanced upon securities, you will have 16,000,000 *l.* upon securities; and instead of whatever amount the bullion is, assuming it to be 10,000,000 *l.*, you will have 8,000,000 *l.* advanced upon bullion.

3911. Then may I take it as your opinion, that if the Bank of England had the power to issue that additional 2,000,000 *l.* of notes upon securities, and they wished it, they could get that 2,000,000 *l.* into circulation?—I have not the slightest doubt of it. But then the additional issue of 2,000,000 *l.* notes upon securities would cause a redundancy of money to that extent; the effect of this would be an export of bullion to that extent, and a corresponding cancellation of notes. Thus the paper money would be brought back to its original amount, but during the process we should have lost two millions of our bullion.

3912. Then you do not agree either with the late Governor of the Bank, or with the former Governor of the Bank (Mr. Hubbard), as to the inability in the issue of notes to get their notes out beyond the limit of the demand which the public may make upon them?—I would rather not undertake to say whether I agree with Mr. A. or with Mr. B. I am quite ready to state my own opinions, and leave the Committee to form a judgment how far they coincide or not with the opinions of other persons. I have no hesitation in saying that the Bank of England can put out any quantity of its notes that it thinks proper; that the effect of that will be to drive gold out of the country; that the notes will take the place of the gold in the circulation, and that will go on until the whole of the gold has been driven out of the country. And if you want a practical illustration of that, I refer you to the passage from Mr. Webster's speech, which I quoted in the early part of my evidence the other day, in which he stated distinctly that the paper throughout the whole of the United States had entirely banished the gold. That you may do, and you may go still further; after you have banished the whole of the gold, then of course you come to a suspension of specie payments, and you may go on after that putting out your paper to any extent you think proper—there is no limit.

3913. Is not the paper currency of this country limited to 5 *l.* and upwards?—Yes.

3914. Would it be possible, in your opinion, to displace the gold circulation with 5 *l.* notes?—No; not altogether to displace the gold circulation with 5 *l.* notes. That of course is simply this question, whether I think that 5 *l.* notes can be made to perform all the functions and duties of 1 *l.* notes—certainly not.

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3915. Do you think that the Bank of England, by any power of its own, could induce its customers to take 5 *l.* notes, instead of sovereigns, if sovereigns were required for their convenience?—Really this is hair-splitting, which is not worth the time of the Committee. The Bank can persuade the public to take 5*l.* notes instead of sovereigns, in every case in which the public use the sovereigns in masses, or lots of five each; but they cannot persuade the public to take the 5 *l.* notes to perform the functions of smaller change than 5 *l.*

3916. Is it not absolutely necessary for the public to have a currency in such denominations as suit the convenience of trade?—We are now mixing up two different things. The practical convenience of currency in its small fractional parts for internal purposes is one thing, but that is not the question which this Committee ought to discuss; they have to discuss the great question of the relative value of the money of this country with regard to the money of other countries, and the effect of disturbances in that relative value upon the action of the exchanges.

3917. You have stated that you differ in opinion from the two Governors of the Bank of England, who have been before the Committee, and that you think that the Bank of England has the power of its own will to issue to the public notes to any extent it pleases, and to such an extent that it may displace the whole metallic currency of the country; surely it is a most important point to know whether an opinion of that kind is well grounded or not?—No doubt it is very important to know it.

3918. Would it be possible in the present state of the currency of this country for the Bank of England, if it had an unlimited power of issuing its notes, so long as those notes were limited to 5*l.* and upwards, to displace any material portion of the metallic currency of this country?—It is perfectly possible to displace sufficient, speaking upon general principles, to justify me in saying the whole metallic currency of the country; I do not mean by that, that it would drive out that small portion of the metallic currency of the country which is required for the purposes of small change, but it would drive out all that portion of the metallic money of the country which is held in readiness to meet the demand of foreign exchanges when they turn against us; that is quite consistant with the fact that it does not displace the small change of the country.

3919. From what source is the bullion derived to meet an adverse exchange and a drain of bullion; do you suppose that it is from the circulation of the country, from the coin in circulation in the hands of the public?—That, perhaps, would be an ultimate resource, but ordinarily speaking, and except under a severe and extraordinary strain, it is the bullion lying in the coffers of the Issue Department of the Bank of England.

3920. The reserve of bullion in the Bank?—The reserve of bullion in the Issue Department.

3921. In the Bank of England?—Take my words as I give them, and do not alter them, if you please; the reserve of bullion in the Issue Department.

3922. I think you stated in your last day's evidence that the bank with which you had been long connected, had not been a bank of issue?—I did.

3923. But a bank of deposit only?—A bank not of issue.

3924. Therefore, in offering an opinion to the Committee that the Bank of Issue has no power either to extend or to contract its notes without substituting other circulating medium, you have not given that opinion as a matter of experience?—I have not given that opinion at all.

3925. I thought you stated just now, in contradistinction to evidence which has been given to the Committee, that the Bank of England had power to extend its issues of notes at pleasure?—Yes.

3926. You did not give that opinion as a matter of experience, as having been connected with a Bank of Issue?—I have never myself been an issuing banker; perhaps, however, no man in England has had more intimate relations and connection through life with important issuing bankers than I have had, or has had greater means of observing the course of their proceedings.

3927. Still, with regard to the particular practice of issuing notes, you have not had equal experience to two successive Governors of the Bank of England, who have been governors during the operation of the Act of 1844?—I decline giving any answer to that question.

3928. Your Lordship has stated that the Act of 1844, the object of which was to make paper money conform to the variations in the metallic currency, has been successful?—I have.

3929. What

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3929. What would be the effect supposing we had an entire metallic currency; assuming that the circulation of coin in the country is now 70,000,000*l.*, as has been stated before this Committee, and that the notes now in circulation are 40,000,000*l.*, and, to take your own view of the matter, namely, that bullion in the Bank of England is also part of the currency of the country, that the bullion is 15,000,000*l.*; 70,000,000*l.* of coin and 40,000,000*l.* of notes will make 110,000,000*l.*, and 15,000,000*l.* of bullion will make 125,000,000*l.* altogether; suppose that there was a drain of 5,000,000*l.* of bullion in this country, the effect of that would be to reduce the reserve of the Bank of England to 10,000,000*l.*, would it not?—I cannot go on with the calculation, unless I have it down on paper before me; I dare say that would be so; I am willing to assume it.

3930. If the reserve in the Bank of England is 15,000,000*l.*, and you have a drain of 5,000,000*l.*, it will reduce it to 10,000,000*l.*, will it not?—We need not go into particular figures; the principle is perfectly clear. If there is a drain of bullion, that bullion is obtained only by paying notes into the Issue Department; those notes are cancelled, and to that extent the money of the country is diminished.

3931. Will your Lordship be good enough to inform us in what respect the money of the country now, notes and gold together, varies in relation to a metallic currency differently from what it did before 1844?—Now, the quantity of notes out must necessarily vary in every case with the quantity of bullion; and if 1,000,000*l.* of bullion is taken out of the Issue Department of the Bank of England for foreign export, there must be 1,000,000*l.* of notes cancelled. Before 1844 that was not necessary.

3932. There must be 1,000,000*l.* of notes cancelled in the Bank of England?—Cancelled in the Issue Department.

3933. But having no relation to the notes in the hands of the public out of the Bank?—Yes, having a very great relation; you cannot cancel 1,000,000*l.* of notes in any form whatever which will not affect most powerfully the action of the circulation throughout the whole kingdom.

3934. Out of the Bank of England?—Everywhere.

3935. Supposing that we had a purely metallic currency, and no notes at all, and that there was a drain of bullion, which in the same manner would be satisfied from the reserve of the Bank of England, would it in any way act upon the metallic coin in the country?—If you assume that the whole money of the country is metallic, and if you assume that a certain portion of that metallic money is taken out of the country, then there is a diminution of the money of the country to that extent; if that diminution takes place entirely out of the reserve existing in any banking establishment, provided the condition of that reserve is made known to the public, the action will be very powerful and very salutary.

3936. But the quantity of coin circulating in the hands of the public will not be diminished by a drain upon the reserve of the Bank of England in the event of an adverse foreign exchange?—There is no doubt that the bullion lying in the Issue Department of the Bank of England is kept more immediately to meet the effects of a foreign drain, to deal with foreign exchanges. No doubt, the pressure through the foreign exchanges will in the first instance be met by the bullion which is in the coffers of the Issue Department of the Bank of England, and it is only under a very severe drain, and under peculiar circumstances, that it will exercise a very powerful influence over the coined metal which is circulating throughout the country; but the diminution of the Bank notes in the hands of the Bank of England paid in to the Issue Department for the purpose of obtaining the bullion, when known to the public, will produce all the effects which are necessary for the due regulation and management of the money of the country. The moment the public know that the money in the hands of the Bank of England is diminished seriously, there is a very salutary and very protective influence exercised upon credit, upon confidence, and upon all those progressive stages through which rectification arises.

3937. The immediate effect will be to induce to an increased rate of discount?—A diminution of money in the country will tend to raise the value of it.

3938. But an increased rate of discount will not necessarily diminish the amount of money in the hands of the public, will it?—No; I do not know that an increased rate of discount will necessarily diminish the amount of money in the hands of the public; but I know this, that a diminution of the amount of money in the country will make the remaining money more valuable, and that

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that increased value of the remaining money of the country will very soon rectify the exchanges, and bring back the quantity which we want in order to re-establish the monetary equilibrium which has been disturbed.

3939. That increased value may be seen by an increased rate of interest?—It may be seen by a hundred different effects.

3940. The immediate effect will be an increased rate of discount?—In all probability.

3941. Practically, in the Bank of England that is the way in which it exhibits itself?—Yes.

3942. Therefore, although there will be a diminution of the reserve of the Bank of England, and a consequent increase in the rate of discount, there need nevertheless be no diminution of money in the hands of the public for the purposes of trade?—You had better meet the question fairly and straightforwardly. The question really is, whether a diminution of the money in the reserve of the Banking Department of the Bank of England is intimately connected with all the purposes which money performs in the country. The money lying in the Banking Department of the Bank of England is essential for all the purposes which money performs in the country, and any diminution in the amount of money lying in that department produces all the effects which a diminution in the amount of money in any form can produce.

3943. It will not contract the circulation of money in the hands of the public?—Of course money taken out of the reserve of the Bank of England is not money taken out of any other place; it is a truism which it is not necessary to state or to discuss. But the fact of a diminution of the money in the Banking Department of the Bank of England will produce, as regards all the circumstances which are to regulate the exchanges, quite as great an effect, and I believe a greater effect than if the money were taken from any other part of the kingdom.

3944. Will you have the goodness to inform the Committee what you regard as the reserve of the Bank of England?—What is now published in the accounts as the reserve; that amount of the notes issued by the Issue Department which is not elsewhere than in the Bank of England.

3945. Those notes represent merely a part of the bullion in the Issue Department, do they not?—They do not represent the bullion in the Issue Department in any other sense than any other notes represent it. 25,000,000 *l.* is the amount of notes now issued by the Issue Department; and in the Issue Department there is 10,000,000 *l.* or 12,000,000 *l.* bullion. That 10,000,000 *l.* or 12,000,000 *l.* of bullion represents, if you choose to use that word, which is a very bad form of expression, all the notes which are out, but it does not represent one note more than another note.

3946. Do you conceive that Bank of England notes are a legal tender in the Bank of England?—What they may be legally, I do not pretend to know. I am no interpreter of Acts of Parliament; I know what they ought to be in principle; and I presume that the Act conforms to the principle. The principle is quite obvious and clear. A Bank of England note is intended to be a legal tender between all parties except the party who issues it. The party who issues it is bound to pay in gold whenever it is required, and therefore it would be completely destructive of the thing to say that on his part it was a legal tender; but it is in principle a legal tender on the part of everybody else.

3947. There is no doubt that it is a legal tender in any other bank in London?—I am not going to discuss a question of law, because I am no lawyer; but it is the question of principle which I apprehend you are called upon here to discuss. The principle is perfectly clear and distinct; bank notes are intended to circulate, and perform all the functions of money throughout the whole of the kingdom internally, and they are therefore made a legal tender, or ought to be made a legal tender on the part of all persons *inter se*, except the issuer; that issuer is the Government acting through the Issue Department; that department cannot make the Bank note a legal tender from itself, because it is bound to pay the note in gold to any applicant; but on the part of everybody else, it certainly is, or ought to be, a legal tender. As regards the Banking Department of the Bank of England, the Bank note, by established usage and custom, has beyond all doubt the full efficiency of a legal tender, let the technical effect of the words of the Act be what they may.

3948. There is no doubt whatever that any bank, whether a bank of issue, or a bank of deposit, except the Bank of England, can at the present moment discharge its obligations in Bank of England notes?—No doubt about it.

3949. There

3949. There can be no doubt that with country bankers and with London bankers all their obligations can be discharged by Bank of England notes?—None whatever.

3950. Does not it make a great distinction in the character of the Bank of England note, looked upon as the reserve of a banker, whether it be an instrument with which he can discharge his obligations according to law, or whether it be an instrument which he cannot offer in discharge of those obligations?—No doubt the note of the Bank of England being a legal tender, is a much more efficient means of discharging obligations than it would be if it was not a legal tender. The Bank notes tendered by the Banking Department will practically discharge every obligation. This being the case, it matters little whether the Bank note possess that power through universal and undisputed usage, or through the distinct enactment of law.

3951. Supposing that a creditor of the Bank of England goes to the Bank of England, and makes a demand for 500,000 *l.* of deposit, are they not obliged to pay that in gold if he requires it?—It is not worth while to raise such a question. Legally, I do not know whether they are bound to pay it in gold or not; but practically it is not a matter of the slightest consequence; because it is simply whether A. or B. shall require the gold. A person goes to the Bank of England (when I speak of the Bank of England, I always speak of it as a bank) with drafts upon the Bank of England for 500,000 *l.*; the Bank of England tenders 500,000 *l.* in its Bank notes. The man says, "No, I will not take those; they are not a legal tender." What is the difference? If they are a legal tender, the man is obliged to take the notes, and goes into the next room, and demands gold from the Issue Department for them; if they are not a legal tender, instead of the man going into the other department, a clerk of the Bank of England goes there, and gets the gold: it is not worth discussing.

3952. Looking at the Bank of England, therefore, as an establishment, is it not practically the case that the bullion in the Bank of England constitutes the only reserve which they hold against their liabilities?—There is no bullion in the Bank of England; the bullion is all in the Issue Department.

3953. To whom does the Issue Department belong?—The Issue Department belongs to the State.

3954. Who obtains the profit derived from the Issue Department?—It is not a question of the profit. The Bank of England, in a certain form, is paid for discharging the mechanical duties of working the Issue Department as the State has ordained that it shall be worked; it has no discretionary power; it is a mere mechanical instrument to do a mechanical duty in carrying out the positive provisions of the law; for that it is paid, and the form in which it is paid, is by a certain proportion of the profit, derived from the issue, the Government taking much the larger portion, and leaving to the Bank, under a very peculiar form of arrangement, the remaining portion.

3955. The whole risk connected with the holding of bullion and the issue of notes is taken by the Bank of England?—Yes, you may so state it; I do not mean to say that it is strictly correct, but I will say, generally, that the Bank of England contracts to do the business of the Issue Department on behalf of the State.

3956. It is the Bank of England which purchases bullion at a fixed price, and obtains the profit of the purchase?—It is the Issue Department which receives the bullion at 3*l.* 17*s.* 9*d.*, and issues it at 3*l.* 17*s.* 10½*d.*

3957. And the difference goes to constitute part of the profit of the Governor and Company of the Bank of England?—The difference goes towards that fund, out of which the expense of working the establishment is to be paid, out of which the demands of the Government, on behalf of the State, for a large share of the profit is to be paid, and out of which the Bank of England is to be remunerated for doing the mechanical business.

3958. If, by any accident, a portion of the bullion were destroyed by fire or otherwise, would the loss fall upon the Governor and Company of the Bank of England, as a corporation?—I do not know.

3959. There is nothing, that you are aware of, in the Act of 1844 which would so separate the Governor and Company of the Bank of England from the Issue Department as to release them from any loss of that nature?—No; I have always looked at the Act of 1844, in its main predominant character, as a measure for making the paper notes conform in amount strictly to the fluctuations

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of the bullion; I am not at all prepared to discuss the Act of 1844 as having reference to anything beyond that.

3960. You do not, then, agree with the witnesses who have been before this Committee, that the real reserve of the Bank of England is the bullion held by the Bank of England?—If you ask me whether I consider the bullion held by the Bank of England as its real reserve, my answer is, that the Bank of England holds no bullion; the bullion lies in the Issue Department, ready to meet the demand of any person bringing notes there to claim it. The Bank of England may itself go and claim it, if it thinks proper, for the notes which it holds.

3961. With respect to the separation of the departments, which took place under the Act of 1844, it has been already stated, I think, that the Bank kept its accounts in that form prior to 1844; can you point out any essential change, either in the liabilities or in the means of meeting those liabilities, in consequence of the altered form of accounts?—Of course, an alteration in the form of account will not alter the absolute amount of liabilities, or the absolute amount of assets; but it may be a most important and a most useful alteration in the relations which exist between them, and in the mode of management and regulation which arises out of those relations. That is precisely what the Act of 1844 has done, most fortunately for the interests and the safety of the country. The form in which the accounts may be kept at any time for the private information of the Directors of the Bank of England, is one thing; the form in which the accounts may be published by authority, for the instruction and guidance of the public, is a totally different thing. It is in this latter respect that the Act of 1844 worked so beneficial a change.

3962. The object of that separation was, as I have understood your former answer, to secure the convertibility of the note, and its uniformity of value with the metallic circulation?—The object of the Act was to make paper notes conform in all their fluctuations of amount to the fluctuations in the amount of the bullion; and through that conformity it was confidently believed, and the result has verified that confident belief, that a protection to the bullion store, and to the capability of the country, under all circumstances, to maintain specie payments, would be effectually secured.

3963. You do not, then, agree with those witnesses who have stated that the essential thing for the Bank of England, or any other bank of issue, is to maintain a sufficient reserve of bullion with which at all times to secure the payment of their liabilities, without reference to the state of account in which that is placed?—The ambiguity of that question consists entirely in the word "sufficient." If you assume that the store of bullion is at all times sufficient, you assume that every object is accomplished. But the difference between the Act of 1844, and the state of things previous to the Act of 1844, is this, that before 1844 you had no distinct and specified means and processes by which that sufficiency was certain to be maintained. Under the Act of 1844 you have a clear and distinct provision of law which secures to the country the absolute certainty that that sufficiency of bullion will be maintained. That is the difference between the state of things before and after the Act of 1844, and constitutes the great merit of the existing statute.

3964. The merit of the Act of 1844, then, is, that the Bank of England is obliged to maintain as much bullion above the 14,000,000 *l.* of securities as shall represent the amount of notes which it issues?—I again state that the Bank of England, always understanding by that expression the Banking Department, is not subjected by the Act of 1844 to any such operation; the Bank of England has nothing to do with the bullion; the Act of 1844 has prohibited the Issue Department from issuing any notes which are not conformable in their fluctuations of amount to the fluctuations in the bullion.

3965. And therefore it is prohibited from issuing notes beyond 14,000,000 *l.*, excepting to the amount of bullion which it may possess?—Undoubtedly.

3966. That is the limit?—That is the limit.

3967. Therefore, the merit of the Act is, that it renders it imperative upon the Bank to hold a certain amount of bullion in relation to its circulation which it was not compelled to hold before?—I am sorry to trouble the Committee with repetitions; but the effect of the Act of 1844 is this, that it compels the Issue Department to put forth an amount of notes which shall fluctuate as the bullion in the Issue Department fluctuates, and not to put out any further amount of notes.

3968. Would

3968. Would it not have the same effect if the regulation which has been adopted with regard to the colonial banks were imposed upon the Bank of England, that, without separating the departments, the Bank of England should be compelled at all times to keep a portion of bullion which should bear a fixed relation (the same relation as at present, if it was thought proper) to its liabilities, from time to time?—I am not quite sure that I understand the effect of the question, but I totally object to the mingling of the question of securities with the question of bullion; it is distinctly essential to the safety of the monetary system that nothing should interfere in the least to modify or dilute the plain and direct relation between the amount of notes issued and the amount of bullion deposited. You speak of the Bank of England being compelled at all times to keep a certain portion of bullion; but how do you propose to compel the Bank to do this? What security shall we have that this will be done, if we abandon the security now provided by the Act of 1844?

3969. I understand you to be of opinion that the Issue Department in the Bank of England at present is as distinct from the Bank of England itself, as if it were a Government department totally unconnected with the Governor and Company of the Bank of England?—As distinct, for all purposes which have reference to the principles affecting the regulation of the exchanges.

3970. Then when you stated in your former evidence that "no banker or private individual ought to be allowed to issue such tokens or certificates," meaning bank notes, "any more than they are permitted to issue the coins of the realm," and that "no share of such privilege ought to be conceded in any form to banks or to private individuals," and that "all profits arising from the issue of paper certificates, that is, bank notes, in place of coin of intrinsic value, ought to be appropriated to the public exchequer, and ought not to be diverted to the benefit of banks, or any other concerns;" do you consider that those conditions apply to the Issue Department as at present constituted?—I consider that those conditions are fulfilled by the regulations of the Act of 1844.

3971. Then you do not consider the notes as being issued by the Governor and Company of the Bank of England, or the profit derived from those notes as being received by them?—No. I consider that the profit derived from the paper issues of this country, is appropriated, first, to paying the expenses of managing the business, and that the balance which remains over goes to the Government. If the Government has not its fair share of the profit, that is an affair of detail for the Chancellor of the Exchequer to look to.

3972. Then you do not consider it a privilege conferred upon the Bank of England to derive profit from the issue of paper?—I have already explained my view upon that point, that the principle at the bottom of the Act of 1844 is quite distinct; that the profit arising from the paper issue is appropriated by the Government. The Government makes a certain bargain with the Bank upon the basis of that principle, and it claims, and I believe claims with perfect correctness, that in that bargain it leaves of the profit of the paper issue only that portion to the Bank of England which is a just remuneration for the trouble and risk of working mechanically that department.

3973. The Bank Act of 1844 refers as well as to the Bank of England to the regulation of the country banks: do you conceive that notes unissued in the hands of a country banker, as notes unissued by the Bank of England, constitute any portion of the circulation?—I have already stated that the whole issue of the country banks is very anomalous; it is very peculiar and unsatisfactory. It is very easy to state the principles which apply to the question, but no doubt some of the facts will be in an ambiguous position. The power of issue vested in the country banker ought to be compared with the Issue Department, not with the Banking Department, of the Bank of England. All the confusion arises from not preserving, in thought as well as in account, a clear distinction between the function of issue and the business of banking. I consider, as a matter of principle, that that constitutes the money of the country which the issuer has the legal power of issuing.

3974. Whether it is out of his hands or not?—Yes.

3975. Then when the published issues of the country banks are below their legal limit, you do not consider that, in consequence of that, the circulation of the country is contracted?—As a matter of principle, I think that we must hold that the quantity of notes which a banker has the power of issuing, constitutes part of the money of the country. But no doubt the state of the country circulation is so anomalous, that that principle is placed in an ambiguous position

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with regard to that amount of the power of issuing which the country bankers do not issue, just in the same way as if any foolish person chose to lock up 1,000,000 *l.* of bank notes, or to paper his walls with them, we must still hold them to be a part of the circulation or money of the country, until we had some authentic record that they were deprived of the power of acting in that capacity.

3976. The country circulation constitutes about one-half of the whole 40,000,000 *l.* of the aggregate paper circulation, does it not, including Scotland and Ireland?—It possibly may do so; I do not know.

3977. Then, so far as the Act of 1844 carries out your views with regard to the Bank of England, as you have described it, it is defective, inasmuch as it does not apply that pressure in any respect to the remaining half of the circulation?—No doubt the law is defective, in so far as it does not bring all the country paper issued under one general regulation, but it is not defective in its essential principle. It has placed a positive limit upon the amount of those issues, and therefore it has fully accomplished its main and grand purpose, namely, that all the fluctuations in the amount of the paper money of the country should be in strict conformity with the fluctuations in the amount of the bullion; that being accomplished, any subordinate omission I think of very secondary consequence.

3978. It has done nothing to secure the convertibility of the country notes?—We must take care of the meaning of the word "convertibility." Do you mean the certain convertibility into bullion, or do you mean the solvency of the issuers generally?

3979. I mean payment on demand?—Payment in gold?

3980. Payment in gold on demand?—It has secured it in the form which I have already stated; that it has secured such an amount of paper money in this country as shall render it impossible for the bullion reserve to be drained out of the country. But no doubt it is quite possible that a country banker may fail, and not be able to pay his notes.

3981. You stated that the imperfection of the Act in respect of the country issuers you thought was gradually becoming less and less, by the diminution of the issues of the country bankers?—I stated that I thought it was becoming less in a variety of ways; that I believed that their issues were gradually, though slowly diminishing, and I am inclined to think that the efficiency of the notes which are out is undergoing a diminution; that the public are becoming less fond of them; that they do not perform their functions of money with that activity, and universality, and rapidity, which attaches to the Bank of England note. They are under a sort of paralysis, and that paralysis is, I think, increasing in its effect upon them.

3982. Have you any reason to believe that country notes in local districts circulate less freely than they did before 1844?—I must admit that I have no very positive knowledge upon the subject; that is my impression, but it may not be so; I cannot say.

3983. Your attention was called upon the former day to the fact that the diminution in the circulation of country notes had been about 1,000,000 *l.* since 1844?—That was alluded to.

3984. The greatest portion of that amount, namely, 800,000 *l.*, has arisen from bankruptcy. You have not seen the paper which contains that information?—I have not.

3985. If that be so, as is shown by a paper before the Committee, the gradual diminution of country notes is through the medium of insolvency?—A bad medium, no doubt; I am glad to get rid of them in any way.

3986. While the Bank Act of 1844 with regard to the issues of the Bank of England took every security for the convertibility of the note and the safety of the public, it took no security whatever with regard to the other half of the circulation, namely, that of country banks?—I consider that the main object and purpose of the Act of 1844 had not reference to the security of the note between the different members of the country, but that it had reference to the security of the note in the sense of taking care that the aggregate amount of the paper money of the country should never be carried to such an extent that it could admit of the bullion being drained out. All the other considerations were quite subordinate to that, and undoubtedly with regard to the country issuers there is no security for the solvency of the issuers taken by the Act of 1844 any more than there was previously; it has not dealt with that branch of the subject.

3987. You

3987. You expressed an opinion on the former day, and you have expressed it on former occasions, that the different periods of crisis and commercial convulsions have been very much attributable to an abuse of the powers of bankers in issuing their notes?—Yes; I have no hesitation in saying that I am prepared to trace every monetary crisis which this country has gone through, crisis by crisis, and I shall be very much surprised (if the Committee will give the time necessary to listen to it) if it does not become a matter of absolute demonstration, that in every instance the absence of the provisions of the Act of 1844 was intimately connected with all the evils and dangers which arose; and that since the Act of 1844 the escape from those dangers may be distinctly traced to the provisions of that Act. I am quite prepared to go into that question, if the Committee think that it is really important in the matter; it will take a considerable length of time, but the evidence in support of the successful operation of the Act of 1844 seems to me to be perfectly clear, distinct, and overwhelming, without going into that question; it seems to be only accumulating evidence, of which there is an abundant weight already.

3988. Do you consider that it was in consequence of injudicious confidence given by banks of issue through their notes, which they would not have given if they had not issued notes, that speculation was encouraged?—I mean that it was the omission to contract the paper money as the bullion went out, which brought about the crisis of 1783, and which brought about the crisis of 1797. I mean to say that it was a distinct absolute increase of the amount of the circulation which brought about the crisis of 1825, and to a considerable extent that from 1833 to 1837, and that in every one of them the non-diminution of the paper money as the bullion went out, was the immediate and intimate cause of those crises; and that the Act of 1844 has rendered it impossible that those evils arising from that cause can again recur. And I mean to state distinctly, and I am prepared to prove it, so far as that which depends upon moral considerations admits of proof, that the nonsuspension of specie payments in the spring of 1847 may be distinctly traced to the provisions of the Act of 1844; and that had the blended accounts which are now contended for been then in existence, there is the strongest ground to believe that we should certainly have suspended specie payments in the spring of 1847.

3989. In consequence of an abstraction of bullion?—Of course we should not suspend specie payments except through an abstraction of bullion.

3990. Then you are of opinion that it was by the issue of notes rather than by an advance of capital, independent of notes, that these periods of speculation were fomented, and the injurious consequences arising therefrom produced?—I do not think that any very great mischief is ever fomented or produced by real advances of capital.

3991. Are you aware that in some of the crises to which you have referred, particularly in 1825, the failure amongst bankers was as much amongst banks of deposit as amongst banks of issue?—Yes, there were very extensive failures of both classes.

3992. And are you aware that in point of fact the crisis commenced by the failure of London banks which were not banks of issue?—It is perfectly possible.

3993. In that case it must have been caused by injudicious advances of capital, and not by any action upon the issue of notes?—I am speaking now of the exhaustion of the bullion. I say that whatever was the extent of injudicious banking, or whatever was the extent of mercantile failure, had the Act of 1844 been in operation, it would have been impossible that the bullion could have been exposed to the diminution which took place in 1825.

3994. Failure might nevertheless have taken place amongst bankers?—I do not at all say that under the Act of 1844 you are not exposed to failures amongst bankers, or amongst the mercantile community; but I say that, whatever be the extent of failure, whatever be the extent of misconduct or mismanagement by bankers or by the mercantile community, the maintenance of specie payments can never be endangered; that is my defence of the Act of 1844, which I defy your ingenuity to impugn.

3995. Do you think that the same consequences would have happened in 1847 which did happen, if the Bank of England had followed the same discreet course in their business which they have in the last two years, and had raised the rate of interest at an earlier period?—The practical merit of the Act of 1844 is that it compels the right course to be pursued; it renders it inevitable. If you assume

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that under a discretionary action the same right course would have been pursued then under that assumption the consequences would be identical; but the very basis of the legislation of 1844 is, that universal experience in this country and in all other countries has shown that with regard to the regulation of paper money discretionary action cannot be safely trusted.

3996. In 1847 a great decline took place in the early part of the year in the amount of bullion, without any corresponding increase in the rate of interest. Did not that lead to a great aggravation of the drain in the latter part of the year?—If we are going into the discussion of 1847, I am quite ready to go into it. I should have liked to have treated it as the last in a long series, because it is the last link in the chain of evidence, though it is the strongest link. But I am perfectly ready, in order to save the time of the Committee, to take the question of 1847 by itself. What I say of 1847 is this, that during the spring of 1847 there was a heavy drain upon the bullion in the Issue Department of the Bank of England; that notwithstanding that drain upon the bullion, the Bank kept up its advances; that this was effected by a continuous decrease of the Bank reserve, and that that process would have gone on until the whole bullion was exhausted, or had approached so nearly to exhaustion, that public panic would have arisen, had it not been that in 1847, consequent upon the separation of the departments, we fortunately had an additional item in the published accounts, which set forth the state of the banking reserve, and the public, seeing the rapid exhaustion of the banking reserve, became alarmed. I myself, seeing that exhaustion, remonstrated personally with several of the Bank Directors, at their not raising their rate of interest, and I put letters into the newspapers reiterating those remonstrances; and at last it was raised, but it was only raised because the public became frightened at seeing the exhausted state of the banking reserve; the whole course pursued at that time clearly showed that had there not been the positive provisions of the Act of 1844 behind the Bank Directors, they would not have had the moral firmness to resist the demands and wants of customers, which we are told are to be the safe regulating principle of a banker; they would not have had the moral firmness requisite to resist that pressure, and we should have been carried actually to the suspension of specie payments. As it was, we were carried very nearly to the verge of it, and had there not been at that time that account which the Act of 1844 has rendered necessary, viz., the account of the state of the banking reserve, there would have been nothing whatever to preserve us from the suspension of specie payments.

3997. You have stated in the former part of your answer, that that which created your anxiety was the rapid diminution of bullion?—I meant banking reserve.

3998. That was accompanied by a corresponding diminution of bullion?—Yes, I presume it must have been.

3999. There was nothing in the operation of the Act which compelled the Bank of England to act discreetly in the early part of the year, when the drain first commenced, and to raise their rate of discount at a time when it would have been wise to have done so; but I understand you, that it was from the repeated demands on the part of the public, that the Bank of England took that precaution at last?—There was not in the Act that which compelled the Bank necessarily to begin raising its rate of interest as soon as it was desirable, and right that it should be done; but there was in the Act that which compelled it to raise the rate of interest much sooner than it would have been compelled to do in the absence of the Act of 1844. The difference is this, that the pressure under the Act of 1844 comes upon the banking reserve, and the trial is taken upon the diminution of the banking reserve, instead of being taken upon the exhaustion of the bullion; and in addition to that, the regulation is, by necessary force of law, clearly and distinctly defined; whereas before the Act of 1844, it was a regulation springing out of a panic feeling on the part of the public, which was irregular as to the time of coming into operation, uncertain as to the extent or intensity of its operation, and most dangerous in its consequences.

4000. I find that the banking reserve as early as the 10th of April had fallen as low as 2,833,000 *l.*?—Yes.

4001. The bullion having fallen at the same time to 9,876,000 *l.*?—Yes.

4002. And I find that the Bank of England had up to that moment, in the face of a rapid drain, to that point maintained the rate of discount at 4 per cent., and only at that moment raised it to 5 per cent.?—If I might become the examiner, I should like to ask what compelled the Bank, which had evidently shown a great previous reluctance to raise its rate of interest, then to raise its rate

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of interest; what would there have been to have compelled the Bank to that rise in the rate of interest if the Bank reserve had been a suppressed item in the account? It was the fact that the Act of 1844 had added to the previous accounts the Bank reserve, and it was the knowledge that the Bank reserve had fallen from about 10,000,000*l.* to about 2,500,000*l.*, which produced such an effect upon the public mind that the Bank were then enabled to take courage, and to raise their rate of interest.

4003. Will your Lordship observe that at the same time, from the end of December down to April, the bullion itself had fallen from 15,000,000*l.* to 9,000,000*l.*; was that not a sufficient indication to the Bank of a severe drain upon its reserves, and a warning that it ought to take some means to arrest the progress of that drain?—It ought to have been a sufficient warning; but we know, by all preceding experience, that it never had been; we know by all preceding experience that the Bank had uniformly allowed its bullion to be reduced to a much lower amount than that before it took the necessary steps of protection.

4004. If your Lordship has the accounts before you, you will observe that the Bank allowed the drain to proceed with very little intermission until the month of August before any advance was again made in the rate of interest?—I have not the account in details; I will state my case, and if it is not a clear and a safe one, it can be pulled to pieces; but, as I understand it, in September 1846 the bullion stood at 16,000,000*l.*, and the Bank reserve at 10,000,000*l.*; in April 1847 the bullion had come down to 9,000,000*l.*, and the Bank reserve to 2,700,000*l.* Now, I say, in the face of that account, that that diminution of bullion, if it had stood alone before the public, would not have excited apprehension on the part of the public, nor would it have compelled the Bank to measures of precaution; and I make that assertion founded upon all past experience to that effect. But what did compel the Bank and the public to measures of precaution? Why it was the instruction conveyed by the new item in the account, and produced by the Act of 1844, viz., the Bank reserve, which showed that that had undergone a diminution from 10,000,000*l.* to 2,700,000*l.* In the face of that fact, the public became alarmed, confidence was shaken, credit was diminished, the efficiency of the existing circulation was diminished, the Bank had moral courage given to it, and, under all those circumstances, at a late hour no doubt strong protective measures were resorted to, and the bullion was protected from further diminution. I say that that is distinctly traceable to the provisions of the Act of 1844, and that without those provisions, if we are to believe that what had invariably taken place before would again have taken place then, we should have been carried on until the bullion was exhausted.

4005. Is not your Lordship aware that from the time which I have just quoted, in the month of April, when the bullion was reduced to 9,800,000*l.*, and the reserve to 2,800,000*l.*, and when the advance in the rate of interest was made at 5 per cent., the Bank reserve, instead of diminishing after that period, rose very considerably; and that when the rate of interest was raised to 5½ per cent., the Bank reserve of notes was 3,946,000*l.*, and subsequently advanced to 4,476,000*l.*, while the bullion had suffered a further diminution to 8,915,000*l.*, and it was found necessary to raise the rate of discount, in the face of that increased reserve, but diminished bullion, to 5½ per cent.?—I am not aware of those facts; but that is perfectly possible. The Bank may have allowed its banking reserve to be reduced to a very improper and exhausted condition, and in the measures necessary to replenish that banking reserve, and to restore it, you may be undoubtedly compelled to go on raising your rate of interest, although your bullion may be coming in. Bullion now and then comes in under a very precarious and doubtful state of the exchanges.

4006. When the rate of discount was raised to 5 per cent., the banking reserve was 2,800,000*l.*, and the bullion 9,800,000*l.*; that was on the 10th of April 1847. The reserve of notes increased from 2,800,000*l.* to 3,900,000*l.*, and subsequently to 4,400,000*l.* in the face of a further diminution of bullion to 8,900,000*l.*, when the rate of discount was raised to 5½ per cent., notwithstanding the increase of reserve; but in the face of a decrease of bullion, you consider the notes in the Banking Department as a safe indication of the policy of the Bank in raising or diminishing its rate of interest for the amount of bullion in the Issue Department?—I think there is great ambiguity arising from the phrase of the Bank raising or lowering its rate of interest. The Bank has no arbitrary power of raising or lowering the rate of interest; the Bank is obliged to conform to the natural rate of interest; when the amount of money

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is diminishing, there will be a tendency to an increase in the rate of interest, and it is the necessary condition of the Bank to conform to that. She may hold out a little too long, in which case she makes a great mistake, but it is of a very temporary kind, generally speaking; the Bank must conform to the rate of interest, and many fallacies arise from the assumed power of the Bank of her own discretion to raise or lower the rate of interest; she has no such power.

4007. Admitting that it is perfectly true that the Bank has no power to raise the value of money, or the rate of discount in the market, yet its own act following the rate sooner or later, it must be by its own act raising its own terms of business for the purpose of protecting its own reserve, though it may be in conformity with the general value of money in the market?—The Bank in some respects is in a peculiar position; I believe it will be very often found that the demands for discount upon the Bank, rather increase upon a rise in the rate of interest; but that is only because the demands for discount in other places very likely have diminished. The real principle, however, at the bottom is, that as the money in the country is diminished by a foreign drain, the value of what remains is increased, and that increase in the value of what remains will check the drain, and ultimately bring back the money of the country to its proper equilibrium with that of other countries.

4008. Then do you think that if the Bank of England in 1847 had taken earlier precautions, and raised the rate of interest much sooner, and much more decidedly, than it did, it would not have averted in a great degree the crisis which followed in the months of September and October of that year?—I think that if the Bank had conformed immediately to the rise in the rate of interest which was taking place through the abstraction of money, she would have obviated a great deal of the pressure which took place in the spring of 1847.

4009. And the subsequent greater pressure in the autumn of 1847?—The pressure in the autumn of 1847 was very intimately connected with extensive mercantile disasters, and the destruction of confidence in that way.

4010. Still it showed itself by a great demand upon the resources of the Bank?—Yes.

4010.* During the last two years we have had a period ordinarily existing of pressure upon the capital of the country, and a great demand upon our monetorial resources. If the same policy had been pursued during the last two years which was pursued in 1847, do you believe that we should have got through so well?—I believe that the Bank during the last two years has been managed, as nearly as human affairs can be, perfectly, and that if there had been the same firmness in 1847, it would very materially have mitigated some of the evils of that crisis. On the other hand, I believe that had the Bank, during the recent period of pressure, delayed in raising her rate of discount, as she did in 1847, considerable inconvenience might have arisen.

4011. Then you agree in the opinion that the timely rise in the rate of interest in the last two years, in the early part of the drain, prevented the drain going to an inconvenient extent, as it did in 1847?—I have not the slightest doubt about it.

4012. Then the difference between the circumstances in 1847 and those of the last two years is very much to be traced to a better management on the part of the Bank of England?—It is to be traced to better management on the part of the Bank of England, to greater intelligence on the part of the public respecting the principles of monetary management, and to the fact that in 1847 the mercantile community were found in a state not so well prepared to meet the pressure as they have been in 1857.

4013. Then it is not to any provision of the Bank Act of 1844 that you attribute either the disasters of 1847, or the more successful management of the last two years?—We must always distinguish between the effects upon the state of our bullion reserve and the safety of our specie payments, and the effects upon the general state of the commercial world. The Act of 1844 was directed exclusively to the protection of the bullion reserve as a certain security for specie payments. At the same time I believe that a due and wise regulation upon that point does tend to mitigate some of the evils which may attend a period of mercantile disaster, but it certainly cannot altogether obviate them.

4014. But the security of our transactions does depend upon the maintenance of our bullion reserve?—The security of our monetary system does.

4015. *Chairman.*]

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4015. *Chairman.*] With reference to the phraseology which you consider inaccurate, will you allow me to call your attention to the wording of the Act of 1844: the Act declares, "That from and after the 31st day of August 1844 the issue of promissory notes of the Governor and Company of the Bank of England payable on demand shall be separated, and thenceforth kept wholly distinct from the general banking business of the said Governor and Company; and the business of and relating to such issue shall be thenceforth conducted and carried on by the said Governor and Company in a separate department, to be called 'The Issue Department of the Bank of England.'" The Act speaks afterwards of the two departments, one the Issue Department and the other the Banking Department, as two departments of the Bank of England. It appears to contemplate the Bank of England as formed of those two departments. The language occurs in various sections, and at the end of the Act there is a schedule in which the form of account is set out; it is headed "Bank of England," and there are two subordinate heads, one the "Issue Department" and the other the "Banking Department." Under those circumstances does it not appear to you that the Act of 1844, which is the authentic instrument on this subject, contemplates the Issue Department as a department of the Bank of England, and under those circumstances is it not correct to say that the bullion in the Issue Department is bullion in the Bank of England?—The whole thing seems to me to be a play upon words. It is quite possible, and it is not at all uncommonly the case, that any individual may carry on two businesses quite separate and distinct in their character, in their nature, and the principles upon which they ought to be regulated. If that person so carrying on those two businesses was to blend into one account the transactions in those two businesses, he would be guilty of a most improper act. It would lead first of all to confusion; in the second place it would give great facility for fraud, and if such a confusion of accounts was brought before any legal tribunal in this country, they would take it as a necessary presumption that it must have been done from some improper motive, and it is a very just presumption; it is a wrong act, and it is assumed that it is done for a wrong purpose, because it facilitates wrong purposes. The wrong purpose in this case is perfectly obvious. Why are we recommended to abolish the separation of the accounts, and to blend them into one? For no other purpose than to give facility for issuing paper notes which do not strictly, faithfully, and honestly correspond with the fluctuations of the bullion, and for the purpose of having, at given times, a quantity of paper money afloat, greater than would be the quantity of metallic money afloat, although we call it a paper money convertible into metallic money. Look at the last paragraph in that very clause which you have quoted: "Provided, nevertheless, that the said Issue Department shall always be kept separate and distinct from the Banking Department of the said Governor and Company." It is a mere question of the phraseology of an Act of Parliament. The Governor and Company are to carry on these two different businesses, one with free discretionary power on their own part, and subject to their own personal responsibility as to the consequences, viz., in the Banking Department, but in the Issue Department they are merely mechanical instruments; they have no discretion vested in them; there is a positive order by an Act of Parliament what they are to do; they cannot depart from that order, and they are distinctly enjoined to keep the whole thing separate and distinct; and in that Issue Department, so separate and distinct from the Banking Department, they are to do nothing but strictly to execute the distinct provision and orders of the law. I cannot conceive things more thoroughly distinct.

4016. But in discussing the policy of the Act of 1844, can it be said that we use inaccurate language, if we use the very language of the Act of Parliament, which Act of Parliament describes the Issue Department as the Issue Department of the Bank of England?—In one sense we do not use inaccurate language, if we use the language of the Act of Parliament; but I apprehend that we use the language in a sense in which the Act of Parliament did not intend that it should be understood. The Act of Parliament distinctly contemplates, and distinctly ordains, that these two things shall be kept as separate and as distinct as any two different concerns can possibly be; that they shall be managed and regulated upon different principles; that in one there shall be free discretion given to the Bank of England, and personal responsibility; that in the other there shall be no free discretion given to it, and a responsibility only to conform strictly to the provisions of the Act. I cannot conceive things, in substance, in reason, and in principle more thoroughly and completely distinct, and the

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only semblance of union of any kind is, that these two things are to be administered by the same body.

4017. Still the Act of Parliament considers these two departments as together constituting the Bank of England, as being two departments of the Bank of England. Under these circumstances can it be inaccurate to describe the Issue Department as a portion of the Bank of England?—I do not really wish to discuss a question of language. I mean to say, that it is perfectly inaccurate to consider or treat the Issue Department as subject to any principles or any system of regulation at all similar or analogous to that of the Banking Department; that they are to be conducted quite separate and distinct from each other, and that they are to be conducted upon principles perfectly distinct, I might say antagonistic to each other, and that the only appearance of similarity is founded upon the fact that the two businesses are to be carried on by the same body of persons.

4018. I understood you to object to the expression "the bullion in the Bank of England;" whereas you said that it was not in the Bank of England, but in the Issue Department?—You will recollect that I prefaced all those observations by saying that in my phraseology the Bank of England always means the body carrying on the banking business, and that whenever I speak of anything in the Issue Department, I always speak, or intend to speak, of the Issue Department.

4019. Sir *James Graham.*] I wish to put a question to your Lordship for which, if it is impertinent, you will pardon me, and if you wish me not to press it, I shall not do so. The late Sir Robert Peel was the responsible author of the Act of 1844?—Yes.

4020. Might I ask whether you were politically connected with Sir Robert Peel?—I am exceedingly glad that the question has been put, because it enables me to give an explanation which may be desirable. I had no connexion, political or social, with Sir Robert Peel. I never exchanged one word upon the subject of this Act with Sir Robert Peel in my life, neither directly nor indirectly. I knew nothing whatever of the provisions of this Act until they were laid before the public, and I am happy to state that, because I believe that what little weight may attach to my unbiassed conviction of the high merits of this Act, and the service which it has rendered to the public, may be diminished by the impression that I have something of personal vanity in this matter. I have no feeling whatever of the kind. The Act is entirely, so far as I know, the Act of Sir Robert Peel, and the immortal gratitude of this country is due to him for the service rendered to it by the passing of that Act. He has never been properly appreciated; but year by year the character of that man upon this subject will be appreciated. By the Act of 1819, Sir Robert Peel placed the monetary system of this country upon an honest foundation, and he was exposed to great obloquy for having so done. By the Act of 1844 he has obtained ample and efficient security that that honest foundation of our monetary system shall be effectually and permanently maintained, and no inscription can be written upon his statue so honourable as that he restored our money to its just value in 1819, and secured for us the means of maintaining that just value in 1844. Honour be to his name.

4021. Then, though there is great coincidence of opinion between you and the late Sir Robert Peel with reference to the principle upon which the Act of 1844 is founded, before its introduction there was no private communication between you and him?—None whatever. I have never communicated with Sir Robert Peel in any form whatever upon the subject of this Act. My support of the Act is entirely and purely from a genuine conviction that is founded upon the soundest principles, and that it has produced to this country inestimable benefits.

4022. In the interval between the passing of the Act and Sir Robert Peel's death in 1850, no communication passed between you and him with reference to its effects, or the future policy of upholding it?—None whatever.

4023. Mr. *Spooner.*] Will your Lordship be kind enough to look at the Question No. 3757 in your evidence on the last day; the question is this:—"Did I rightly understand your Lordship to say, that the money was the capital? No, I said just the reverse; I say that with money, or with capital in its character of money, you can do nothing, you might just as well have a parcel of old iron." Will you be kind enough to state what idea it was that you meant to convey?—There is no doubt that in the answer to that question there is a curious jumble of words. I understood the examiner to be speaking of money as desirable for itself, and not

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for its power of putting the owner of the money in the possession of real capital. I said that the mere possession of money for itself was as useless as the possession of old iron, and that it was only when it was used as a means of obtaining capital that it became useful to the trader or the man of business.

4024. Your Lordship in another part of your evidence has stated that the Bank note is nothing more than a certificate that so much bullion is deposited, and which bullion is to pay that note when demanded?—I stated that the Bank note is a certificate issued against bullion. Of course we cannot say that 26,000,000 *l.* of Bank notes are the certificates of bullion actually deposited, when there is only 10,000,000 *l.* or 12,000,000 *l.* of bullion deposited.

4025. You have frequently made use of the expression that the Bank note is nothing more than a certificate for so much bullion?—It is a certificate of that amount of bullion which would be in circulation as money if there was no paper note.

4026. What do those notes represent which are issued upon the 14,500,000 *l.* securities?—I hardly know, when we come to strict reasoning, what is meant by the word "represent": the actual state of the fact is clear and is intelligible. The total amount of notes issued is that which would be the total amount of bullion in circulation if we had only a metallic currency; but of the amount of bullion carried into deposit, in consequence of the substitution of paper notes, a certain portion is taken out by the authority of the Government, and invested in a profitable security, the remaining quantity of bullion being conceived to be such, that the exhaustion even of that can never take place, because the country will never bear a decrease of its aggregate amount of money to so low an amount.

4027. Then that quantity of notes cannot be said to represent bullion, but they are issued to that amount, which is utterly impossible for the country to demand payment of?—They represent that amount of metallic money which would be circulating if the notes did not exist; and their capability of being exchanged into bullion depends upon the fact that there is such a quantity of bullion held in reserve that the country will never bear a reduction of its notes to so low an amount as to exhaust its bullion.

4028. The country never can be in a situation to be able to demand the payment of the notes?—It depends entirely upon the sense in which you use the words "be able to demand." Of course, every holder of the 26,000,000 *l.* has the power of demanding that bullion; but the arrangement is founded upon the assumption, and I believe a very safe assumption, that the country never will bear such a diminution of money as would be involved in carrying in the notes for cancellation down to 14,000,000 *l.*; and that before you reach that point such will be the pressure from the decrease of money, and the increase of the value of money, that more bullion will be brought in to supply the place of the suppressed notes.

4029. How would that bullion come in?—It would come in by a very simple process. When the money of the country undergoes a diminution of amount, its value increases; there is a general feeling of a want of money in the country. Then all the persons who have foreign correspondents will be very soon placed in such a situation that they will write to their foreign correspondents: "Whatever remittances you have to make to this country, send them in money; it is the most advantageous remittance that can be made here. Do not send us bills of exchange, do not send us securities, do not send us even commodities; at present the most advantageous remittance is bullion; send us bullion."

4030. Suppose that your correspondents are not in a position to send you bullion?—We must not discuss the arrangements of the world upon the supposition that the world is to stand still. A certain quantity of bullion is appropriated, by the wants of the different countries of the world, to perform the functions of the money of the world; and the only question is of that money, what proportion shall each country possess, and when one country possesses less than her due proportion of money, it will induce other countries to transmit to her a certain portion of what they have, because it is the best remittance under the deficiency of that country.

4031. Is it not possible that there may have been exports from this country calculated upon receiving back again the produce of other countries, and that therefore the debt owing by the correspondents abroad is created upon the principle that as we have sent our manufactures, we are to receive their goods in return; and if upon any change of affairs here, we write to them, "We cannot

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have your goods, but you must send us bullion," and they have not the bullion to pay; what will then be the result of the great drain of which you have spoken as having been brought down to the lowest point which the country could bear?—The first answer to that question is, that the supposition is an impossible one. All the other countries of the world cannot be in a situation in which they have no bullion to send us; it is a mere question of relative value. There is a certain quantity of money distributed through the different countries of the world in relative proportions; when the proportion is in any respect disturbed in any given country, then there is a tendency to draw money from the other countries to supply the deficiency in that country; and to suppose that there is no money in other countries to be drawn, is to suppose a total suspension of the whole state of things existing throughout the world, with reference to which state of things you are putting the supposition.

4032. I do not put the question as against all the world, but as against the particular nation with whom that transaction has taken place?—But you must take in all the world; the transactions of this country are not with any one country exclusively, but they are with all the countries of the world. Our receipts for exports come through various circuitous and indirect channels; perhaps, if we send goods to the United States, the payment for those goods may come to us from China or from Australia. The transactions circulate from country to country, but the principle at the bottom is, that the money of the world is distributed in certain proportions, which proportions are such that the normal state of things between the different countries of the world will be a state of barter; but there may be a temporary disturbance of that equilibrium, so that for the moment it ceases to be a state of barter, and becomes a transmission of money, and by that transmission of money the equilibrium is very soon restored.

4033. But the state of things supposed is that in which the particular country to which exports may have been sent has not the money, in which case your Lordship contemplates that it will draw the money from other parts of the world, and send it to us; would not that operation take a very considerable time?—The operations are so multiplied, that they are taking place every day. I am now stating things only to illustrate the principle; very often it will assume a different form. It may assume the form of preventing any more money going out of this country. A very remarkable circumstance of that sort occurred in the spring of 1847. I detailed its history in my evidence in 1848; the very thing which you suppose, occurred; that is to say, when a rise in the rate of interest by the Bank at last took place, many persons said, "It is too late; the mischief is done; there are orders in this country from America to send bullion to America, and the bullion is actually on board the ships at Liverpool." I remember having that constantly pressed upon me: to which my answer was, "It looks formidable; it is an awkward crisis; but the more difficulties you are surrounded with, the more necessary it is to adhere firmly to principle; keep up your rate of interest, and do not fear the consequences." What was the result? Not one of those orders was executed; and the bullion on board the ships at Liverpool was taken out, and brought back, and deposited in the vaults of the Bank of England; not one farthing of it ever left the country. You cannot have a stronger instance; that was the crucial instance by which the validity of the principle was effectually tested.

4034. It was in consequence of raising the rate of interest that the money was brought back again?—It was in consequence of such a diminution of the money of this country as raised its value so high, that actually the orders from America to send gold to America, were not executed, and the money never went.

4035. Was the gold for which the orders were sent to go in payment of debt in America, or in purchase of commodities or securities?—That does not affect the question at issue; the whole thing is the result of a complicated balancing and counter-balancing of transactions. The order was an order merely founded upon the state of the exchanges, which showed an apparent profit in the transmission of bullion to America. But when the orders came over here, it became clear, from the increased value of money on account of its diminution of amount, that that profit was gone, and that there would be so large a loss upon the transmission, instead of profit, that the parties did not even venture to execute the orders which they had received, but returned the bullion to the Bank.

4036. Then those orders to send the bullion for the payment of debt were not complied with?—They were not.

4037. Suppose the case which you have put to lead to that result, namely, that there is a demand for bullion in consequence of the value of money in this country being raised by the draining of bullion, and that you desire the Americans to send you bullion, but that they refuse to do so, what will be the result?—You are putting a set of suppositions inconsistent with one another. The first supposition is, that the money goes out of this country, because it is an advantageous remittance to make to another country, and that that raises the value of money in this country above the value of money in other countries, and that therefore orders go out from this country, saying, "Send us bullion." Then you make another assumption contradictory of the first, namely, that the value of money in the other country has become such that it will not allow it to come. If that is the case, then the money in this country is not in deficiency.

4038. I am afraid I have not made myself intelligible. I am not putting the two circumstances as being simultaneous. If I understood you rightly, you said this: that there was a time when there came great orders to this country to remit gold?—Yes.

4039. Whether that was for the purchase of commodities or for the payment of debt, is of no consequence whatever, as your Lordship says, to the real fact. The fact was that money was worth more in this country than in America; therefore the orders were not executed, and the bullion was retained in this country?—Yes.

4040. The question which I put afterwards was this: supposing the same state of things to exist, as your Lordship stated, a few answers back, that by raising the rate of interest here, you raised the value of the money here. You then write to your correspondent abroad, and say to him, "Do not send us goods or securities, but send us bullion." I suppose that at that time the nation with whom you are corresponding, is in the same situation as your Lordship has described us to have been in, when the orders came from America, and that they can no more fulfil our orders upon them, than we fulfilled the orders of America upon us?—Upon that supposition, bullion would be drawn from all the other countries in the world to supply the deficient state of it in the two countries which you have instanced.

4041. Would not that take a considerable time?—No; a very short time.

4042. I may be told, that the case which I am about to put, is an extreme case, but I believe that the best way to try the soundness of any principle, is to put extreme cases, if they are possible?—Provided you take care to put a case which is really a possible case.

4043. I will put a succession of very bad harvests, and that we are importing very largely corn into this country; that importation must be met by bullion to a very large extent?—No, I do not admit that.

4044. Do you believe that we could maintain a very large importation of corn into this country without a drain of bullion to a very large extent; I do not say the whole extent?—If you will give me 12,000,000 *l.* of bullion in the coffers of the Bank of England, and assume that we want to import 40,000,000 *l.* of provisions, if you will only regulate the paper issues according to the fluctuations in the bullion, I will undertake to say that we shall get the 40,000,000 *l.* of provisions, and not part with more than 4,000,000 *l.* of bullion.

4045. How would that transaction take place?—In this way. The first import of provisions would very probably be paid for in bullion. I will assume that it is paid for at once, to the extent of 4,000,000 *l.*; the effect of that is, that 4,000,000 *l.* of notes are cancelled; the money of this country is diminished 4,000,000 *l.* in amount. What is the effect of that? The effect of it is that all persons holding a foreign correspondence, say, first of all, to their correspondents abroad, "Money has become excessively valuable here; you must send us money, and nothing but money." In the second place they say, beyond that, "We send you bills of exchange; we send you interest-bearing securities, all of which you must realise in your different countries, and for that you must remit us money." Then again the effect of it would be that our consumption of other articles than provisions from every part of the world would be diminished; and again, that our exports of one kind or the other to some other countries in the world would be increased: and through all those various processes we should obtain the remaining balance of 36,000,000 *l.* with which to pay for our provisions.

4046. You think that the result of those various processes would be obtained

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in time to meet the payment for our extraordinary demand?—Yes; it is very easy to postpone many of those payments through exchange transactions and credits, and a variety of processes. The thing is not a mere supposition; the thing has happened over and over again.

4047. That is done through raising the value of money in this country?—Yes.

4048. Of course then that would create an increased difficulty, *pro tanto*, in paying for the corn?—You must remember this, that if you are supposing such a failure of harvests as imposes upon us the necessity of importing 40,000,000 *l.* of provisions, it is quite impossible that it should not be accompanied with very considerable pressure and sacrifice on the part of this country; no arrangement whatever of the monetary affairs can possibly obviate it. The loss of 40,000,000 *l.* in the harvest of this country, of necessity involving 40,000,000 *l.* of foreign supplies to be paid for by this country, must place a very severe and heavy pressure upon this country that is quite unavoidable.

4049. Your Lordship was asked on the last day, whether it would not be possible in a great degree to mitigate such difficulties as I have endeavoured to pourtray by having two sorts of notes, one of them payable in bullion, but the other, if I may use the expression, a sort of I. O. U. note between the Government and the public; whether inasmuch as the Government owes 6,000,000 *l.* or 7,000,000 *l.* every quarter in the shape of dividends or expenses, and the country owes 6,000,000 *l.* or 7,000,000 *l.* of taxes, it would not be possible to arrange that there should be two sorts of currency afloat; one the common banking note, payable in bullion, and applicable for all general purposes, and the other a note applicable in the more limited sense?—Our affairs would then go on very much in the way that a man would walk with one of his legs six inches shorter than the other. One set of notes would circulate at a depreciation compared with the other set of notes; hence great inconvenience and confusion would arise.

4050. What would be the real effect of it?—The effect would be, that you would have paper money of two different characters in the country, not of equivalent value; not circulating indiscriminately each for all purposes, but some useful for one purpose, and some useful for the other, and that there would be intolerable confusion. A man would have Government notes, and he would present them to another man in payment; that man would say, "I do not want Government notes; I want to make a remittance abroad; I cannot get bullion for those Government notes; I will not take them;" are they both to be a legal tender?

4051. They would both be a legal tender as far as the Government is concerned, but the Government note would not be a legal tender between individuals?—Then what is that individual to do? The other man says to him, "You must go and get me the other notes. Either you or I must pay a premium for them."

4052. What would be the harm of that?—The harm would be, enormous injustice and intolerable confusion.

4053. Why injustice; it would be a voluntary transaction; nobody would be compelled to take those notes?—Then, if nobody was compelled to take them, nobody would take them, and there is an end of them.

4054. That is a question of opinion. Do you believe that if any person had notes which ensured to him the payment of all the Government demands upon himself, though he had no demands upon him directly, he would not find numbers of persons who would exchange those notes for him at a premium or a discount?—Then, you would have a certain proportion of the monetary system of the country circulating at a discount; I cannot conceive a greater state of monetary disorganization than that.

4055. Do you conceive that to be so great an evil as your Lordship has been describing, namely, that when you are obliged to import very largely great distress and mischief will fall upon the community?—But your proposed circulating medium would increase all those evils, and not diminish them.

4056. In what way?—You would not bring about that state of things which would enable the payment for the 40,000,000 *l.* of provisions to be made in other things than in money. According to your system, you would have to pay it all in money, and you would have no money to pay it with; you would get into utter confusion, and it would end in the people being starved.

4057. What does your Lordship suppose to be the amount of bullion in circulation

lation in this country now, in the shape of coin?—I am not aware; a very considerable amount.

4058. Has your Lordship turned your attention to it?—No.

4059. Suppose the idea of persons who have turned their attention to it, to be a right one, that we have not less than 60,000,000 *l.* of bullion in this country, would not the effect of such a paper as I have described be to let loose that bullion to go in payment of the corn, and to use this new description of currency, which would be convertible for everything but bullion, for our social purposes?—It is a long and complicated discussion, but you would get into an infinite series of difficulties. In the first place you would want that which is the most legitimate, certain, and wholesome mode of paying for the provisions, namely, by diminished imports or increased exports of other articles, commodities or securities; you must come to barter in the end; if you want 40,000,000 *l.* of provisions from other countries, you must get into a state in which you can give those other countries 40,000,000 *l.* of value of some kind or other, and all your conundrums about these Government notes would not get over that difficulty. See the enormous inconvenience which it would involve to part with the whole or nearly the whole of your bullion; and when you had parted with it you would very soon find that it was insufficient to pay for the provisions, that your exhausted bullion exposed you to the danger of suspending specie payment, and that you remained subject to all the pressure necessary for drawing the bullion back to the country.

4060. But that parting with bullion would be to meet the immediate necessary pressure, and the course of trade would relieve that pressure?—The proposed plan would produce infinitely greater pressure; money is only the medium through which barter is established, and you bring us back to a state of real barter by allowing your money to increase in value as it goes out. The other course of proceeding is perfect quackery.

4061. Mr. *Hildyard*.] You stated, if I understood you, that it was your belief that if the Act of 1844 had not existed in the spring of 1847, there would have been a danger that the Bank would not have been able to give gold for its notes?—It is my firm belief that that would have been the result.

4062. Am I then to understand your belief to be, that except for the operation of the Act of 1844 the bullion drain would have gone on to the extent of exhausting, after April, the sum of 9,000,000 *l.* of money, 7,000,000 *l.* having gone out within a very short time to meet the drain which had set in?—Yes, that is my belief, certainly.

4063. You think that the balance against this country was at that period so great, that 9,000,000 *l.* would have gone out if the Bank had not been driven to measures, to which the Act of 1844 compelled them?—Yes, and a great deal more than 9,000,000 *l.* The money of this country was at that time depreciated in its relation to the money of other countries, and if no steps were taken to correct that depreciation, money would continue to go out of this country to an indefinite extent.

4064. We will look at the rate of interest which the Bank were charging. You have told us that one of the means of checking a drain is to raise the rate of interest, and thereby to cause all parties to write to their correspondents to send money over to a country where it has become dear; to stop shipments to this country, and so forth. Do you know what was the rate of interest charged by the Bank from the period when that drain commenced up to the period when the bullion had actually increased, namely, from August the 29th, 1846, up to July the 10th, 1847. What was the highest rate of interest which the Bank had demanded as a mode of checking so formidable a drain?—If I understand the real drift of that rather lengthened question, it is founded upon an assumption, which I have several times denied, namely, that the Bank has an arbitrary power in itself of raising the rate of interest. The Bank has no such power; the Bank cannot raise the rate of interest except from two causes, one a real alteration in the relative demand and supply of capital, and the other a diminution in the quantity of money in the country. Now that is the very basis of my argument on this subject. So long as the banking reserve is not set forth, there is no evidence whatever of a diminution of the quantity of money in the country. There being no evidence to show a diminution of the quantity of money in the country, there is no ground for a rise in the rate of interest; but the moment you set forth in the accounts the banking reserve and show that it has undergone a great diminution, that is really a decrease in the quantity of money in the country,

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country, and that decrease in the quantity of money in the country raises the value of the remaining money, and the Bank does not raise its rate of interest by an arbitrary act only, but it conforms to the increased value of money produced and caused by the conviction in the public that there is a diminution in the amount of money.

4065. I understood your Lordship to state that you had several times remonstrated with the Bank because they had not raised their rate of interest. If the rate of interest is not in any way whatever dependent upon the movements of the Bank, why did you make a remonstrance with the Bank for not doing that which you say would have been inoperative inasmuch as the rate of interest fixes itself?—What I remonstrated with the Bank about was, that they did not raise their rate of interest so as to make it conform to the rise which had taken place generally in the rate of interest; that they kept their rate of interest below the market rate, and that consequently there was a very heavy demand continually going on upon the Bank, and thus reducing the Bank reserve.

4066. Though the accounts had not been kept in the way in which they are under the Act of 1844, the Bank Directors would have been perfectly cognizant that a drain had been going on upon the bullion of the Bank from 16,000,000 *l.* to 9,000,000*l.* of money, would they not?—Yes.

4067. Then why would they not have been just as much cognizant of the drain which was then going on as they were made cognizant by the particular form in which their accounts are now kept?—They would have been cognizant of the continuous drain of the bullion as they were cognizant of the continuous drain of the bullion during 1824, and the early part of 1825. But in 1824-25, they did not take measures necessary to stop that drain of bullion, but they allowed it to go on until it was exhausted, and I see no reason whatever, and no reason whatever has been assigned by anybody, why that process would not have been repeated in 1847 had it not been for the existence of the account setting forth the state of the banking reserve. The state of the banking reserve was such, that the Bank were left without an alternative; there the heavy hand of the law came upon them; they could go no further. Therefore it compelled them to do that which their moral courage otherwise probably would not have led them to do, and with no great blame attaching to them, because it is the moral pressure of the community which has acted upon them. Previously they would not have been sustained by the public in such a contractive action, but with this published knowledge of the state of the banking reserve, the public were put into a right state of mind upon the subject of the banking reserve, and by that means our monetary system was saved.

4068. Still, with all that heavy pressure of the law, the conduct of the Bank, so far as regarded their action upon the rate of money, was, that the discounts which they charged never extended beyond 5½ per cent., and that only for a short period in the autumn of 1847?—I am speaking of the spring of 1847.

4069. In the spring of 1847 the rate of interest was lower. Up to the 3d of April the Bank had charged no higher rate of interest than 4 per cent.; from that period up to the 31st of July they had charged no higher rate than 5 per cent.; from that period up to the crisis, in the end of October, they had charged 5½ per cent.; never, during the whole period, having gone higher than 5½ per cent., and for a great period not higher than 5 per cent.?—The less the Bank raised its rate in the spring of 1847, the stronger is the proof of the value of the provisions of the Act of 1844 in setting forth the state of the banking reserve. What was it that stopped the continuous drain which was going on? The knowledge of the exhausted state of the banking reserve produced alarm on the part of the Bank, and alarm on the part of the public, which materially affected credit, confidence, and the efficiency of the circulation. To show how very easy it is to draw false inferences from mere statements of figures, it appears that the Bank, in the spring of 1847, did not raise its interest above 5 per cent.; but there is one fact which I can state of my own knowledge, (and I believe everybody who was conversant with the state of things in the money world at that period will verify that fact), that the Bank Directors themselves, from seeing the state of their banking reserve, became panic-stricken, and some of them very incautiously said to the public: "The Bank has done all that it has the power to do; it can go no further; it can do nothing more for the mercantile world; they must now take care of themselves." That produced a state of panic and alarm which had the most contractive effect upon credit, and upon the efficiency of the circulation.

4070. That assumes that a continuous drain was going on. You have told us that

that the effect of a drain is felt, first and principally, upon the bullion in the Bank; is not that so?—No doubt of it.

4071. So far from a continuous drain going on, it appears that the drain had been checked, and that there was a rise from the 10th of April from 9,500,000 *l.* to 10,170,000 *l.*, and that that check continued until the 10th of July?—No doubt.

4072. Therefore why do you speak of a continuous drain going on, when it appears that the drain was checked, and that there was a slight increase in the treasure of the Bank?—I speak of the continuous drain during the process of reducing the bullion from 16,000,000 *l.* down to 9,000,000 *l.* Then, that being a process continuous for a great length of time, I ask, how comes it in April to be stopped? I say that it was stopped by this circumstance; that the publication of the state of the Bank reserve showed that the Bank had exhausted all its means, and that it could go no further. And I add a fact, which does not appear upon the papers, but which is perfectly notorious to everybody who was in the City, that the Bank Directors very incautiously made the declaration to the public, that the Bank had done all it could, and could go no further; that it must now take care of itself, and that the public must take care of themselves. That produced a temporary panic, well known proverbially as the spring panic of 1847. That panic so produced, and which resulted from the state of the banking reserve, produced an effect upon credit, confidence and the value of money, which very soon stopped the drain; and from that time, whilst that panic feeling was existing, and had not totally subsided, the drain was corrected and stopped, and the bullion began to be augmented again. But that was the result of the publication of the banking reserve.

4073. It is very important in these matters to keep to facts, and these facts are brought before us in the shape of papers submitted to us. When there was 16,000,000 *l.*, the Bank were discounting at 3 per cent., and then the drain which I have already adverted to, to the extent of 7,000,000 *l.*, took place; upon which the Bank began to take alarm, and raised their discount to 4 per cent., and then to 5 per cent., the drain having then reduced the bullion from 16,000,000 *l.* odd to 9,000,000 *l.* Beyond that, they did not raise their rate of interest, and yet, by their continuing at that same rate of interest which I understood from you you thought they ought not to do, so far from the drain continuing, the drain was checked, and there was an augmentation at one period in June, amounting to 1,000,000 *l.* in addition. In the face of those facts, why do you tell me, that but for the Act of 1844, the drain which was going on would have exhausted those 10,000,000 *l.*, and put in danger the convertibility of the note?—I will give a very simple answer to the question; I say so, because on all former occasions, both in this country and in other countries, such has been the result; and I say that what stopped the drain in April was the knowledge derived from an account, the publication of which account was first provided for and ordained by the Act of 1844.

4074. I am quite aware that the Bank began adopting other restrictions which this paper does not enable me to go into?—I am willing to take it upon the paper; there is no doubt that other restrictions were adopted, but there is no occasion to take other restrictions into the account.

4075. If you will allow me, I will draw your attention to your answer 3833: you were asked whether you concurred with those witnesses who spoke of the active circulation as that portion of the circulation which is issued from the Bank without including the notes in the Issue Department, but unissued, and you stated that you did not do so, and that you considered the notes in the Issue Department unissued as the most active part of the circulation?—Yes, the notes in the Banking Department. Notes cannot remain in the Issue Department; they are necessarily put forth by that department as the bullion is brought in; they may remain in the Banking Department, forming part of the Bank reserve.

4076. You gave an illustration of that by showing what was the effect when those notes were exhausted?—Yes; what would be the effect if they were exhausted, and what was the effect when they were suddenly augmented.

4077. I think you will find that you spoke of what was the effect, because you alluded to the state of things in 1847, when that reserve, though not actually exhausted, was nearly so?—No; the effect in 1847 was the effect arising from a peculiar increase in the amount of the reserve; I mean the effect of the Government letter.

4078. But you spoke of the state of things which existed previously to the

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issue of that letter, that state of things growing out of the fact that it was notorious that the Bank reserve was nearly exhausted?—That had reference to the spring of 1847; do not mix the two periods together.

4079. I have referred you to your answer, and let me see whether I am in error or not; you say, "What was the Government letter of 1847? Why, it was an indefinite increase of the Bank reserve. What was the effect? Not one note was put out into what is called its active state; not one single note passed out of the Bank in consequence of it, but the Bank reserve was indefinitely augmented. What was the result?" Now, I draw your attention to these words: "The want of confidence was removed, and everything was made smooth and easy. The whole machinery of the credit system of the country, which had been brought to a dead lock, was immediately put in order"?—Yes.

4080. You were speaking then manifestly of the state of things which existed just before the Government letter issued?—No doubt.

4081. You are aware that at that period the exchanges had turned, and were in favour of this country?—They turned just about that time; I do not know the fact but from the circumstances; I know that they must have turned.

4082. And we find that by the end of December the bullion had increased from that minimum point of 8,400,000 *l.* to 12,237,000 *l.*?—Yes.

4083. The exchanges, you say, had turned just at that point; what was the actual bullion? I am not now speaking of the bullion, distributed as it is by the Act of Parliament, but what was the actual amount of bullion lying in the coffers of the Bank of Englannd at the time when that letter was issued?—I should presume about 8,000,000 *l.* or 9,000,000 *l.*, but I do not know.

4084. Then, with the exchanges having turned in our favour, and with 8,000,000 *l.* or 9,000,000 *l.* of bullion in the coffers of the Bank, a state of things existed which is properly represented by yourself, I have no doubt, when you say that "the whole machinery of the credit system of the country had been brought to a dead lock;" was that the operation of the Act of 1844, or was it not?—It was not the necessary operation of the Act of 1844; it was the operation of a very violent and unreasonable panic feeling seizing the public mind; that panic feeling was intimately connected with the enormous mass of mercantile failures which then took place, and it was further increased by very ignorant apprehensions existing in the mind of the public from their not understanding the real character and operation of the Act of 1844.

4085. But you have described that state of things as growing out of the knowledge which had transpired that the Bank reserve was nearly at an end?—No; you are jumping backwards and forwards from one period to the other; that description had reference to the spring of 1847.

4086. I humbly submit to your Lordship that I am not jumping backwards and forwards, and I put your own language before you, and shall be ready to be bound by it. Had you not in the early part of that answer been describing the state of things which would result from the Bank reserve being at end?—I do not understand what is the purport and drift of the question. So far as I understand it, it relates to this, that in the spring of 1847 a great alarm sprang up about the exhausted state of the banking reserve; that that assumed a sort of semi-panic character, the effect of which was to correct the drain, and to stop it, and a moderate degree of replenishment of the bullion in the Bank took place; then, in the Autumn of 1847, there sprang up a very violent panic feeling, arising from the two causes which I have already spoken of, namely, the enormous extent of mercantile failures, the thoroughly rotten condition of a large portion of the trading world which was then developed, and the apprehensions entertained by many persons with regard to the Act of 1844, founded upon an ignorant view of its real provisions and effect.

4087. Do I rightly understand the answer which you gave to Question 3833?—Will you read the part of my answer to which you refer?

4088. You had been asked whether you agreed with a particular definition of the words, "active circulation." You said that you entirely differed from it, and you illustrated your meaning by this answer?—That is quite true.

4089. You said that the reserve was the most active part of the circulation; you were asked, "Will you describe how?" you answered, "I will give you a practical illustration: suppose that this Committee was to-day to issue an order for destroying all the notes now lying in the bank reserve, and that that order was made known in the city of London to-morrow morning, what would be the result;

result; what would the bankers do? They would every one of them go into the city in a state of perfect panic, and would say, 'God bless me! I have lost my balance at the Bank of England; it is all gone, it is destroyed by an order of a Committee of the House of Commons.' What would they do? They would every one of them send their Exchequer bills to their brokers; they would say, 'Take my Exchequer bills, sell them; take my stock, sell it; bring me bank notes; I do not know what is going to happen; the bank reserve is destroyed; I must have bank notes immediately to put me in a proper position.' In the meantime their customers would get wind of what was happening;" and so you proceed, and then you illustrate that which you say would be the result by telling us that when the Bank reserve in 1847 was destroyed, the whole machinery of the credit system of the country had been brought to a dead lock. I again ask you, if that state of things took place when the exchanges had turned with us, and the external drain therefore was stopped, and when the Bank of England had 8,000,000*l.* or 9,000,000*l.* of bullion actually in its coffers, was not that state of things the result of the Act of 1844, which had precluded the Bank from using the whole of its actual reserve?—There are so many parts in that question that I think it should be broken into several questions, and taken *seriatim*. I can only again go over the ground over which I have gone before; that I describe the spring of 1847 as being a state of panic alarm, created by the knowledge of the exhaustion of the banking reserve. When I was afterwards questioned about the importance of the banking reserve, I illustrated its importance by the supposed case of a sudden and absolute destruction of the banking reserve, and showing what strange confusion would take place throughout the whole trading world in consequence of that event. With regard to the autumn of 1847, there is no doubt that a very great panic feeling then sprang up; a panic feeling, as I must state again, arising from enormous mercantile disasters, fomented further by a misapprehension and all the alarm produced by ignorance with regard to the true action and effect of the Bank Act of 1844. Then, again, with respect to the 8,000,000 *l.* or 9,000,000 *l.* of bullion which was then lying in the Bank, I believe the existence of that amount of bullion at that time was a most fortunate circumstance, because it prevented another very formidable ingredient being thrown into the cauldron of our disasters, namely, alarm with regard to our specie payments; that being a form of evil from which the Act of 1844 protected us at that time, and for the first time in the history of our monetary panics did we escape from that being mixed up with the other difficulties of similar periods. It must further be observed, that the 8,000,000*l.* or 9,000,000*l.* of bullion lying at that time in the Issue Department was represented by a corresponding amount of Bank notes, put forth by that department for the use of the public.

4090. Assuming that Parliament had then been sitting, that we had set aside the forms of Parliament, and had passed a Bill repealing theAct of 1844, instead of issuing that letter, which issued upon the responsibility of the Government, do you believe that the same result would have followed?—The Government letter was, in a certain form, a temporary suspension of the Act of 1844.

4091. Do you believe that if we had repealed the Act, the same result would have followed?—The same in what respect?

4092. As far as regarded the immediate effect upon credit, and the restoration of confidence in the city?—If it had been understood that the repeal of the Act only involved an unlimited power of issue by the Bank of England it would have had the same effect, but not otherwise.

4093. Then why do you object to my question, which infers that the evil resulted from the Act of 1844, if its repeal would have restored confidence?—The repeal of the Act of 1844, if it had admitted of an unlimited issue of paper, would have medicated to the evil at that moment, but it would have involved the country in all the dreadful horrors of an excessive issue of paper, and would probably have substituted for what took place the suspension of specie payments altogether.

4094. Are you correct in saying that the letter of 1487 did indefinitely augment the reserve of the Bank; did it absolve the Bank from paying its notes in specie?—No, it did not absolve the Bank from paying its notes in specie, but it did enable the Bank to issue any amount of notes that it thought proper. No doubt those notes were still payable in specie, and the letter was accompanied with a clause directly applicable to that subject; for though it placed an indefinite

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finite amount of bank notes at the command of the Bank of England, yet, to protect us against that very danger, this permission was accompanied with the restriction, "You must not let any one of those notes go out under an interest of 8 per cent."

4095. And not a single note, according to your own statement, was issued on those terms; confidence was restored, the drain was at an end, and in December we find that the bullion in the coffers of the Bank had increased from 8,000,000*l.* to 12,000,000*l.* of money?—Yes, that is quite true.

4096. Your Lordship spoke of the enormous advantage which had resulted to this country from the Act of 1844 during the long drain which has now been going on; and I think your Lordship again stated your opinion that we should have been unable to meet the convertibility of the note if it had not been for the Act of 1844?—I do not know that I used that expression with regard to the last two years, because I do not believe that the facts come out quite in such a form; but there is no doubt that during the last two years this country has been subjected to a very heavy drain of the precious metals; that heavy drain of the precious metals has been met by the Bank of England strictly and efficiently discharging its duty; it has conformed immediately in its rate of interest to the real rate of interest produced by the decrease of the quantity of money in the country. The result has been that, under a very protracted and a very heavy pressure, arising from a variety of causes, everything has gone on safely and smoothly, and every principle upon which the Act of 1844 was founded has been verified, and every argument used by those who support it, has been confirmed by actual experience.

4097. As you ascribe the whole of this satisfactory action to the Act of 1844, let me draw your attention to France; France, as regarded the war, was subjected to heavier external payments than this country was, by means of the larger number of troops that she maintained; is not that so?—I believe she has been subjected to heavy demands.

4098. Had she not also to encounter the evil resulting from most fearful inundations?—I dare say she had.

4099. Was there not also a failure of the silk produce, which we will call the silk crop?—Very probably.

4100. Has not also the production of the vineyards in France for the last three or four years been very much indeed below their average?—Very probably.

4101. Have not the two or three last harvests in France been rather below the average?—Very probably.

4102. France, I believe, pays her obligations in specie; it is a convertible currency, is it not, in France?—Yes.

4103. Has France been able to meet her obligations, or has she been obliged to declare that she cannot convert her notes?—France has not suspended her specie payments; but France has been driven to very extraordinary measures for the purpose of supporting them, and very unnatural measures. The exact character of those measures I believe it has puzzled the most observant persons in this country to discover. You have next to you a gentleman who has had great means of knowledge upon that subject; and there is another gentleman here who, from having been in the management of the Bank of England, must have paid great attention to it; you had better examine them as to what their opinion is of the measures which the Bank of France has been driven to for the purpose of maintaining by artificial means the necessary amount of bullion in the country. I do not know how far it is permissible for me to allude to evidence given previously before this Committee, but it has been intimated to me that some very strong statements indeed have been made before this Committee of the pumping in by the most violent processes of one hundred millions of bullion into the Bank of France, and that at the end of it the store of bullion in the Bank of France was less than it was at the commencement of that forcible and unnatural process.

4104. We have already examined the gentlemen to whom you advert, and, if I am correct, I think they stated that they believed that the means resorted to were perfectly futile, and did not accomplish their end?—That does not mean that the means were futile, that is to say, that the one hundred millions of gold was not thus pumped into the Bank of France; they were futile because they were not sufficient to keep it there, according to that statement; I do not adopt the statement; I think it a most extravagant one.

4105. Assuming,

4105. Assuming, however, that artificial means had been resorted to, and therefore we will assume expensive means, upon whom would that loss have fallen?—Upon the country.

4106. Whom do you mean by the country?—I mean that the country at large must in the end pay for it.

4107. In what way would it fall: immediately upon the Bank of France?—I presume the Bank of France must in the first instance pay for that very unnatural process.

4108. And it would then fall upon the community at large?—Through them upon the community at large.

4109. Convertibility of the note is a matter in which the community at large is interested, is it not?—Yes.

4110. Every creditor in the country is equally interested in the convertibility of the note, and the preservation of the standard?—Yes.

4111. Then is it inequitable that the expense of the means by which convertibility is secured should fall upon the whole community who are benefited?—It cannot be inequitable at all.

4112. Will you tell me how, under the operation of the Act of 1844, convertibility is secured?—Convertibility is secured by a very simple process, and by one which certainly does throw the burthen upon the whole community generally; it is secured by the simple process that, as the money goes out of the country, the quantity in the country is diminished; that diminution of the quantity remaining in the country produces an increased value of that money, and that increased value of what remains stops the exit of money, and is kept up until it has brought back that quantity of money which is necessary to restore the equilibrium.

4113. Have we been incorrectly informed when we have been told that one of the most effective means of checking a foreign drain is to refuse to discount bills beyond a particular length of date?—I do not at all know what you have been told; the most efficient means and the most proper means to correct a foreign drain is this, to allow the money of the country to diminish in quantity in proportion to the extent of the drain; to allow that diminished quantity of money to cause a rise in the value of that money, and to cause the rise in the value of that money so created to be distributed by the fair and free action of natural causes over the whole community.

4114. Is it not within your knowledge that in practice one of the modes by which the Bank do check a foreign drain is to refuse to discount bills beyond a particular date?—I think that a very awkward and incorrect form of scientifically stating the case. The fact is this: that the money being diminished in amount increases in value; that increase in value is exhibited in the form of an increased rate of interest, and the Bank, like every other body, conforms to that increased rate of interest which arises out of the regular action of natural circumstances.

4115. Is it within your knowledge that one of the means resorted to by the Bank, when they find that a drain has set in, is to refuse to discount bills beyond a certain date?—I believe the ordinary course of the Bank is, when it finds that the rate of interest generally has risen, to raise its own rate in conformity to that general rise. Sometimes the Bank, of course, must exercise discretion as to which of its means of action it is most prudent, under the circumstances of each particular case, to resort to. There is a mode of checking the advance of capital, not so much through an actual rise in the rate of interest as through shortening the period for which the Bank will lend, a very natural course, generally accompanying the other; but the cause of it is either an increased want of capital or a diminished amount of money.

4116. But is it not within your knowledge that, during the very drain which has been taking place for some time, the Bank has partially refused to discount bills beyond a certain date, and has put a higher rate of interest upon long bills where it has discounted them at all?—There is no doubt that when there is a pressure for money, the value of that money will rise; that the money lent will be lent at a higher rate, and that the disposition to lend will be checked; that checked disposition to lend may exhibit itself very probably in lending it for a shorter period than before. It is all perfectly natural, all perfectly legitimate, and exceedingly wholesome in its effects.

4117. But practically it is not within your knowledge that the means which the Bank must have recourse to in order to check a drain, fall upon a section of

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the trade of this country, and do not fall upon the whole community?—It is quite inevitable that any cause which acts must fall in the first instance upon that particular class of persons who, from the accidents or circumstances of the case, are most exposed to its action; it is the natural and legitimate course of things. When there is a diminished quantity of money in the country, those persons who are the most immediately in want of money must feel the first effects; and it is only through time and a prolonged continuance of that state of things that those effects permeate through the various classes of the community.

4118. Then you object to the course of action adopted by the Bank of France, which you represent falls upon the community at large, and you prefer the course which results from the Act of 1844, or at all events from the action of the Bank, which casts the loss upon a section of the community?—I object to the course adopted by the Bank of France, because it is what I call quackery; it is not founded upon any scientific principles. I approve of the course adopted by the Bank of England for exactly the opposite reason, because I think it is founded upon scientific principles, and produces the desired result in the most legitimate and therefore in the most beneficial manner.

4119. And yet the Bank of France, under all the peculiar and adverse circumstances which I have mentioned, have not only secured the convertibility of the note, but have done so without raising their rate of interest beyond 6 *l.* per cent.?—The rate of interest in France, and its fluctuations, are subject to many considerations different from those in England. But if you will examine those gentlemen in your own Committee who have had the management of the affairs of the Bank of England, and ask them whether the result of their observation is such that they would recommend that the monetary system of this country should be upheld and maintained in its security and efficiency by the processes which the Bank of France has resorted to during the last 18 months, rather than by the processes which have been in operation here, I shall be perfectly ready to leave this question to be decided by their answer.

4120. You have stated that you had no sort of communication with Sir Robert Peel with respect to the Act of 1844, and that therefore, as far as you are concerned, that Act may have been the spontaneous suggestion of Sir Robert Peel's own mind?—Yes.

4121. Did I rightly understand you to state that you had been examined in 1840?—Yes.

4122. I thought that I remembered you to have said that the Bill of 1844 was framed in entire accordance with the views which you entertained when you were examined in 1840; was I right in that or not?—Essentially right. There is no doubt that the Act of 1844 was framed in such a manner that I have always given to it my most cordial and thorough approval and support.

4123. Was not the principle of the Act of 1844 chalked out very much by the evidence which was adduced by certain parties in the investigation of 1840?—There is no doubt about it; the Act of 1844 has been framed in conformity to views which were advocated by many persons who had watched the various disastrous periods through which we had passed in our monetary affairs, and who had traced, as they conceived, those disasters to the want of a proper and scientific regulation of the monetary system, that want of a scientific regulation being understood to be this; viz., that the Bank of England notes had previously been issued at the free discretion of the Bank, instead of being issued in direct reference to the fluctuations of the bullion.

4124. Therefore, though you had no private communication with Sir Robert Peel, yet you and other witnesses having suggested a measure entirely in harmony with the provisions of the Act of 1844, we need not assume that that Act was Sir Robert Peel's own measure, inasmuch as these suggestions had been offered to him in the most formal way in which they could be offered to him, viz., in the shape of evidence given before a Parliamentary Committee?—I take it that the Government of that day acted in the way in which almost every free and intelligent Government acts, namely, by watching the previous discussions, and applying its own intelligence, and experience, and high ability to ascertain from all the discussions which have taken place where the safe view and the sound principles lie. Undoubtedly I feel complimented by the fact that Sir Robert Peel's clear, acute, and practical mind should have led him to the same conclusions as I have always been led to upon this subject, as shown in the Act of 1844,

1844, which I am perfectly convinced are sound in science, and equally useful in their practical results.

4125. Mr. *Vance*.] From your experience of the Act of 1844, is there any suggestion which you would make to the Committee which would improve its minor enactments, and not interfere with its principles?—No; I have not looked at it with that view. I think that as regards all the great and essential principles of the monetary system of this country, the Act is sound and efficient, and I certainly agree with the views which were intimated by Sir Robert Peel, in the correspondence with the Bank of England, upon which this Act was founded, in which he distinctly states that he thinks that discussions, such as those now taking place in this Committee upon the subject of banking and currency, are exceedingly detrimental to the public interests, and that his object in the way in which he framed some of the provisions of that Act was specifically and distinctly with the hope that it would render such discussions in future unnecessary.

4126. I allude to one enactment of the Act; it particularly gives the Bank of England the power, under an order in council, to resume the lapsed issues of the country banks to the extent of two-thirds. Would you be in favour of allowing them to resume the whole?—I do not think it a matter of the slightest consequence. I am neither in favour of it, nor against it.

4127. Your Lordship stated, that you considered that the rate of profit generally rose with the rate of interest in this country, or something to that effect?—I should rather put it the other way, that the rate of interest, all other circumstances remaining unaltered, would conform to the rate of profit.

4128. I understood you to say that when the rate of interest was high, the rate of profit generally was also high?—I would rather again put it the other way, that I think when the rate of profit is high, there must be a very strong tendency to a rise in the rate of interest.

4129. Do you consider that, for instance, the Manchester warehouseman or manufacturers make a larger profit upon their transactions when the rate of interest is high, or when it is low?—I cannot split up things quite into that form, for this reason: no doubt if you assume all other things to be fixed, a rise in the rate of interest must, so far as a man pays interest, diminish the advantages of his business to the man who so pays interest; but what I mean is this, that in a country where the rate of profit is high, there will be a disposition and a desire to obtain money as the means of obtaining capital with which to make that profit. In order to obtain that capital, parties will pay an increased price. Therefore I think that the mere fact or phenomenon of a high rate of interest in a country is anything but presumptive that that country is in an unsatisfactory state. The most progressive country in the world at this moment is the United States, and that is a country in which the steady normal rate of interest is the highest of any country in the world, and for very obvious reasons. With respect to the case put by the question, the Manchester manufacturer, in proportion as his profits are high, will be willing to pay a high rate of interest for the loan of the capital by which he may be enabled to make those high profits.

4130. I will take the case of a London or Manchester warehouseman who turns 100,000 *l.* a year. Suppose that he turned the same amount in 1857 which he turned in 1852, the rate of interest being in one case very low, and in the other very high; do you consider that his profits on the transactions, taking them in a general way, would not be less considerable in 1857 than in 1852?—If he pays more interest upon his borrowed capital, of course so far his profit and his advantage is diminished; but the question is whether there are not a great variety of other considerations. How comes it that he pays a larger interest upon his borrowed capital now? It must either be that the quantity of capital has been diminished, or that the number of persons wishing to employ the capital has been increased, that is to say, that the trade of the country has been expanded; and that, I believe, to be the state of things to which your question refers. During the past year there has been the most gigantic expansion of the trading energies of this country; I believe that to be a very great benefit and advantage to this country; but all human affairs have their little accompanying inconveniences. You cannot have an enormous demand for more capital to carry on an increased trade without being obliged to pay a higher sum for the use of that borrowed capital.

4131. Do you consider that Ireland and Scotland are injured or benefited by their having a paper issue of 1 *l.* notes?—I have no personal practical knowledge

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of the detail of affairs in Ireland or in Scotland. Upon general principles, I believe it is much better for a country that the smaller transactions of the country below 5*l.* should be all regulated and discharged in metallic coin.

4132. But you have no knowledge that there is any inconvenience or injury affecting the trade of Ireland, or of Scotland, by the circumstance of their circulation being in 1*l.* notes to a great extent?—No, I have no local knowledge of the thing; as a general principle I think it very desirable that all the money transactions of the country below 5*l.* should be in the substantial metal of intrinsic value, and not in the mere paper representative.

4133. Sir *James Graham.*] I understand that you are reconciled to the continued issue of paper money by country bankers, by the greater security, as it appears to you, of the monetary system under the Act of 1844. Supposing the issue of the country bankers in England to remain unchanged, what would be your opinion of extending to the country bankers in England the principle of limited liability which the Legislature has sanctioned with regard to all other commercial transactions?—I am afraid that I am a bad person to be examined upon the subject of limited liability; I disapprove of the principle of limited liability, thoroughly and entirely; I believe it to be founded upon a dishonest view of the nature of obligations; I believe it to be a weak yielding to that which is always a predominant power, viz. the pressure of the debtor interest, and that the Government, in giving up the principle of unlimited liability, has made an improper concession to the debtor interest, and has not extended that protection which it ought to have extended to the creditor interest. But when you have once established the principle of limited liability, and applied it to other concerns, I confess I do not understand upon what principle of consistency you are to withhold it from banking concerns. In the first place, banking concerns are not so easily distinguishable from other concerns. There are many concerns at this moment which, according to all rational definition, are banking concerns—concerns established for the purpose of trading in money, and which have obtained a limited liability by the Act as it exists. I remember that in the House of Lords I put distinctly the question to the President of the Board of Trade, and to the Lord Chancellor, to define the distinction between a bank and any other concern. The answer was, that the distinction of banks had existed in Acts of Parliament from time immemorial, and that to ask such a question as that was virtually to stop legislation; that was the only answer which I could get; not a very clear or satisfactory answer, as it appears to me.

4134. Assuming the principle of limited liability to remain fixed and unchanged with reference to all other commercial transactions, the law being to that effect at present, what would you say, on the whole, to the extension of it to banks of issue in England?—As a general principle, I should say that the extension of it to banks was consistent; that you should either have limited liability or unlimited liability: I have no notion whatever of having it for one set of concerns, and not for another set of concerns; but when we consider that this question of the creation of paper money is involved in the matter, that, I admit, introduces a new feature into the case of a very peculiar and a very serious kind. I do not think that it would be amiss, if we are going to apply the principle of limited liability to banks, that it should be upon the condition of their surrendering their privilege of issue.

4135. My question pointed to the supposition of continuing the right to issue paper money if the limited liability were extended to banks?—I am assuming that, upon the whole, you are bound in consistency to extend limited liability to banks; I think it would be a very desirable thing to make the condition of it the surrendering their issues.

4136. You would hesitate before you consented to the extension of the principle of limited liability to banks issuing paper, on account of the peculiarity of the circumstances of that issue?—The question has come upon me by surprise; I have not sat down deliberately to consider the subject; but my present impression would be, that if I were going to extend the principle of limited liability to banks, I should make the surrender of the issue the condition of that extension.

4137. Mr. *Hankey.*] It has been stated that the export of bullion has been very frequently made by the abstraction of so much bullion from the Issue Department of the Bank; are you aware of any rule applicable to the export of bullion

bullion which does not equally apply to the export of any other article of general use in this country?—No; I presume that bullion is perfectly free to pass backwards and forwards as any other article is. Bullion, which is specially appropriated to perform the functions of the universal equivalent, is to a certain degree taken out of the general character of an article of trade, but still, as money, it is perfectly free to pass backwards and forwards.

4138. Can any one export bullion without either having it in his own possession, or going and buying it at the Bank of England; are you aware of any other usual way in which the export of bullion takes place?—No, I am not aware of any other.

4139. If bought at the Bank of England, must not the buyer bring an equivalent in bank notes?—Yes.

4140. Would not those bank notes have formed necessarily a part of the capital of the purchaser of the gold?—The use of the word "capital" is very dangerous.

4141. Would they not have formed a part of his property previously to the purchase of the bullion?—There is no doubt that the bank note is the representative of bullion; a man cannot have both.

4142. Then the subsequent export is nothing more than the export of so much of the capital or property of that individual?—Just so.

4143. But as far as the Bank of England are concerned, the only effect produced is, that the amount of their bullion in their Issue Department is so much diminished, and the amount of their notes is also diminished to an equivalent degree?—No doubt. The whole working of the Issue Department is, that they put forth Bank notes; the Bank notes perform all the purposes of money internally in this country; but if you want any portion of the money of this country to be used for external purposes, Bank notes will not perform those purposes, and you convert it into bullion, paying in the notes which are cancelled, and in place of them drawing out the bullion which is used as money for export.

4144. Must not the export of gold necessarily be limited to the power of individuals to bring Bank notes to pay for that gold, unless they have already a stock of that gold in their own possession?—No doubt. Bullion cannot be obtained from the Issue Department, but by paying in Bank notes.

4145. And when that power is exhausted the export must stop?—No doubt of it. By paying in the Bank notes you diminish the quantity of money in the country; there is a limit of the extent to which the country will bear that diminution; when you reach that limit the drain is stopped, and the increased value of money brings back the money into this country.

4146. It is exactly the same as the export of any other commodity?—Yes.

4147. Cannot you conceive a position in which a considerable export of bullion might take place without in the least affecting the reserve of notes in the Banking Department, which are held by them as prudent bankers for the management of their business?—No doubt the notes taken in for bullion may be taken in without a diminution of the Bank reserve, or if the Bank reserve be affected, it may be replenished by sale of securities, or by some other means of drawing notes into the Bank reserve.

4148. Then is it a necessary consequence of the export of bullion, that the banking business is in any way affected, or at least to any greater degree than the export of bullion, or the abstraction of capital from this country affects every banker and those who have any large dealings in monetary affairs?—The export of bullion from this country is a diminution of the quantity of money in this country, and a diminution of the quantity of money in this country must of course create a pressure upon the money market generally.

4149. Are you aware of any way in which the Bank is affected by the export of bullion different from that in which every other banker and every other dealer in money is affected?— Persons will never get a correct or simple view of these things until they accustom their minds to look at the Bank of England as they would look at the bank of Messrs. Smith Payne or Messrs. Jones Loyd, or any other firm upon a large scale; they conduct their business with the money existing in the country like everybody else. If the money in the country is diminished, the Bank of England and all other bankers, and everybody else, must

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feel the effect of it. If any pressure comes upon the Bank of England, they must realise their securities to meet that pressure, as all other bankers must. I have already stated, in an early part of my evidence, that the Bank of England is only an ordinary banking concern on a large scale; its business must be conducted and regulated upon ordinary banking principles.

4150. Alluding to the question with respect to the legal tender of Bank notes, do you not think that the Bank would have discharged their duty perfectly when they had paid the dividends upon Government stock in Bank notes?—The question whether you pay in Bank notes or in gold seems to me to be puerile altogether; I am always speaking of the Bank of England as a banking concern, and I should say that the Bank of England ought to be authorised to use the Bank note as a legal tender in all cases, except as respects the Issue Department, that merely meaning that there must be an ultimate power of demanding gold for the note. Subject to the reservation of that ultimate power, all the other transactions of the country ought to be adjusted by the Bank note as a legal tender, and are so, in fact; if it is not the strict law, it is the established usage, which is better than the law.

4151. If the Bank of England were directed to make any large payment in the country, say 300,000*l.* or 400,000*l.*, do you think that, practically, any person would be entitled to refuse to give a receipt for such money when that money was tendered in Bank notes, on the ground that they were not a legal tender by the Bank?—Of course, that is purely a legal question upon the construction of the Act. If it is not a legal tender by the Bank of England in its banking business, I think it is an imperfection in the state of the law, and an imperfection so clear that universal usage has corrected it. The Bank of England note, practically, for all purposes is a legal tender everywhere throughout the country, except by the Issue Department.

4152. Mr. *Fergus.*] Are you aware that Bank of England notes are not a legal tender in Scotland or in Ireland?—I do not know how that is.

4153. Do you think it would be advisable that they should be made a legal tender in Scotland and in Ireland?—Certainly; I think the Bank of England note ought to be made as universal in its character, and as universal an equivalent as it is possible to make it. I think that the Bank note should be treated and used as the sovereign.

4154. Sir *James Graham.*] And yet the Bank of England, being a bank of issue, subject to the limitation on which you rely with respect to the separation of the two departments, is a bank of limited liability, is it not?—Do not let us mix up the question of issue. The Bank of England, carrying on a great banking business, is a chartered concern, and has limited liability; but that has regard to such an amount of property and security that it is a theoretical limitation, and one which can never by any reasonable supposition come into practical effect.

Martis, 14° *die Julii*, 1857.

MEMBERS PRESENT.

Mr. Ball.	Mr. Hildyard.
Mr. Blackburn.	Mr. Hope Johnstone.
Mr. Cayley.	Mr. Martin Tucker Smith.
Mr. Ennis.	Mr. Spooner.
Mr. Fergus.	The Chancellor of the Exchequer.
Earl of Gifford.	Mr. Vance.
Mr. Gladstone.	Mr. Weguelin.
Mr. Glyn.	Mr. Wilson.
Sir James Graham.	Sir Charles Wood.
Mr. Hankey.	

THE RIGHT HON. THE CHANCELLOR OF THE EXCHEQUER, IN THE CHAIR.

The Right Honourable Lord *Overstone;* further Examined.

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4155. Sir *Charles Wood.*] WILL your Lordship be good enough to refer to the Question and Answer 3953; in that answer you stated that the Issue Department belonged to the State, [and you rather treated it as if it was no part of the Bank of England; will you explain exactly what you meant by that?—It seems to me that that resolves itself into a technical question of words more than of substance. There can be no doubt of the fact that the Issue Department is placed under the management (if it can be called management) of the Bank of England; it is conducted within the walls of the Bank of England; it is managed by the clerks of the Bank of England; and the Governor and Company of the Bank of England are responsible to the State for their obedience to the distinct provisions of the Act, which they have mechanically to carry out. So far, undoubtedly the Issue Department is a department under the charge and management of the Governor and Company of the Bank of England; but what I meant by that answer was, that the Issue Department is under the management and control of the Bank of England in a sense, and to an effect, totally and entirely different and distinct from the sense and effect in which the banking business of the Bank of England is under the control and management of the Governor and Company of the Bank of England. The banking business is subjected to their free discretion, and they bear all the responsibility of the consequences of the exercise of a wise or an unwise discretion in the management of it; but not so, in the slightest degree, with regard to the Issue Department; it is subjected to their management merely to carry out mechanically the positive provisions of the Act of Parliament; and they are subject, in that matter, to no responsibility but that of faithfully obeying those orders. The separation of the Issue Department completely and entirely, in every sense of the word, is the fundamental object and principle of the Act of 1844. Nothing can be more distinct, or clear, than the words of the Act itself upon the subject, which are, that the Issue Department "shall be separated, and thenceforth kept wholly distinct from the general banking business of the said Governor and Company," and at the end of that clause in the Act, it, *ex majori cautelâ*, reiterates the assertion: "Provided nevertheless, that the said Issue Department shall always be kept separate and distinct from the Banking Department of the said Governor and Company." Those are the words of the Act itself; but the meaning and purport of those words is still further illustrated, if we refer to the language used by the Treasury in its correspondence with the Governor and Company of the Bank of England, upon which that Act was founded. There you will find that they actually refer to the possibility that this Issue Department may be transferred

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elsewhere, and conducted by some other body, but they decide not to take that course, not, however, because they wish in any degree to modify the actual separation of the two departments, but simply from other considerations, and from the desire of not making the change greater than is absolutely necessary for the purpose in view. These are the words of the correspondence of Sir Robert Peel and Mr. Goulburn with the Governor and Company of the Bank: "It appears highly desirable that any new arrangement should be founded on the basis of an entire separation of the business of the issue of notes from that of banking. This measure might be effected by the establishment of a public department for the issue of notes, independent altogether of the Bank. But Her Majesty's Government are willing, in the first instance, to consider whether this can be effected by a division of the Bank into two distinct and separate departments, to conduct exclusively, one the business of issue, the other that of banking." It is upon the ground of those terms, both of the Act, and as explained by the correspondence, that I say, looking to all rational meaning of the words, that the Issue Department is thoroughly and entirely separate and distinct from the Bank of England; always meaning by that the conduct of the banking business; and that it is so is shown by this very obvious fact: Suppose that the Issue Department was removed altogether from the walls of the Bank of England; suppose that it was carried to the Mint, or carried to the Exchequer-office, or carried to the National Debt-office; or suppose that a separate and special Commissioner was appointed for the purpose of conducting it, that would alter the form and appearance as to the hands in which it was placed, but it would not produce the slightest alteration of any sort or kind as to the actual progress of affairs in the Issue Department; and therefore, looking at the substance and reality of the thing; looking at the manner in which reasonable people would reason upon the subject, it is perfectly correct to say, that the Issue Department has nothing whatever to do with the banking business of the Bank of England.

4156. It is, in point of fact, entirely removed from any control on the part of the persons who manage the banking business of the Bank of England?—The Bank of England have a full discretionary power in managing the banking business of the Bank of England; they have, with regard to the Issue Department, no discretionary power whatever. The law has provided for the management of the Issue Department, and the Bank of England is the simple mechanical instrument, the one wheel between the Act of Parliament and the result; nothing else whatever.

4157. Supposing it were removed from the Bank of England and placed under some other establishment, do you apprehend that that establishment would necessarily be paid in some way or another by the State?—The expenses of that establishment must of course be defrayed, and if it be an establishment separate from the Government, some profit to the person managing it must be awarded for his own remuneration. That is precisely the case with respect to the Bank of England. The mode of paying the Bank of England is complicated, because it arises out of a great number of ancient habits and regulations which it was thought unwise to disturb, provided you substantially accomplished your result without it.

4158. So far as the management of the Issue Department or its effect upon the money of the country goes, it is perfectly immaterial in what shape it is paid for, whether by salary or by the profits of issue?—It is perfectly inmaterial to everybody except the Chancellor of the Exchequer, who has to make the best bargain which he can.

4159. Does not the Bank of England perform other duties for the Government, such as the payment of dividends?—The Bank of England performs a variety of duties; all the various duties which can be included under the general term of transacting the banking business of the country.

4160. And for the performance of those duties of course it is only fair that it should receive some remuneration?—No doubt; it is perfectly clear that the Bank of England (I am now speaking of it in its joint capacity as a bank of issue and as conducting banking business) must be paid for the various duties which it performs; the form in which it is paid is a mere matter of detail, not in the slightest degree affecting any of the principles which we have to discuss upon this subject.

4161. In point of fact, the form in which it is paid is a remnant of the old system, and not perhaps that which would be established if it was to be begun afresh,

afresh, and put upon what you would consider a better foundation?—No doubt; it is now in a complicated form, arising from a variety of successive bargains between the Government and the Bank, and they have never been simplified into one direct payment for the whole business.

4162. You do not conceive that it at all affects this question of the separation of the departments, that the profits, such as they are, of the Issue Department are blended with the allowance for the payment of dividends, which constitute, in point of fact, the principal part of the remuneration allowed by Government to the Bank of England?—The accidental form in which the Bank is remunerated for all the business which it does, really does not touch, in the slightest degree, the question between the Issue Department and the Banking Department. The clear distinct separation of those two departments in principle must be obvious to every reasoning person, and I cannot understand the meaning of persons who attempt to raise any complication or difficulty respecting it.

4163. Will your Lordship be good enough to refer to Question 3929. From that question and answer does it not appear that the whole coin in circulation of the country, together with the amount of paper circulation in the country, and the bullion which happens to be in the Issue Department of the Bank of England, are taken together as the currency of the country. Is that really your opinion, or is there some confusion from the use of the words "Bank of England" there?—I am exceedingly glad that my attention is drawn to that question and answer. I think that it is calculated to illustrate the difficulty to which witnesses are subjected who are called upon extemporarily to assent to, or to dissent from, every successive assumption which is placed before them, and that I was aware of that danger is clearly shown by the answer which I gave, namely, that I should like to have the calculation before me on paper, before I went into it. However, that request was not complied with, and I had to answer the question as it stood. The next remark which I should make upon this question, is the extreme danger which arises to a witness from having assumptions introduced into the question, which assumptions are thoroughly inaccurate. As an instance of what I mean by that statement, I refer to this part of the question; "and to take your own view of the matter, namely, that bullion in the Bank of England is also part of the currency of the country." Now, so far from that being my view of the matter, it is diametrically and distinctly opposed to all the principles which I have always advocated, and especially to those principles which I had pertinaciously repeated in my examination before this Committee. I had uniformly stated, that the bank notes out of the walls of the Issue Department were the representatives of the bullion lying in the Issue Department. I had again called them the shadow of the substance, and therefore it was not right in putting a question to me, to involve in that question the assumption, that it was my view of the matter, that the bullion in the Bank of England is also a part of the currency of the country. The bullion in the Issue Department, and the Bank notes issued against that bullion, cannot both be taken as part of the money of the country.

4164. Bullion in the Issue Department?—It means the bullion in the Issue Department; there is no bullion in the Bank of England. It is quite clear, that here "bullion in the Bank of England" means the bullion in the Issue Department. Now, I have uniformly stated, and repeated it, almost to tediousness, before this Committee, that in my view of the matter, whilst the notes issued against the bullion are out of the walls of the Issue Department, the bullion which is in the Issue Department is not part of the money of the country; that the notes are the representatives of the bullion; that they are the shadow of the substance, and that so long as those notes are out of the Issue Department, you cannot take the thing twice over, and consider the bullion which is in the Issue Department as part of the money of the country. The bullion in the Issue Department cannot be brought into the condition or functions of the money of the country, except by paying in the notes which represent it, cancelling those notes, and thus converting the bullion into part of the money of the country.

4165. If you treated the bullion in the Issue Department, and also the notes out of the Issue Department, issued upon that bullion, as both constituting a portion of the circulation of the country, would you not, in point of fact, reckon the same amount twice over, and add to that which would be the amount of money, in the event of a purely metallic circulation, the whole amount of notes issued upon that bullion?—There is no doubt whatever of the accuracy of the principle involved

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in that question. The notes are the mechanical convenient representatives of the bullion in deposit, and you may either consider the notes, whilst they are out, as the money of the country, or if you choose to pay in the notes, and get the money which they represent, namely the bullion; by so doing, you make the bullion the money of the country, but you cannot use them both; it is using the same thing twice over. Now, it is this very fallacy which misleads that class of persons who, when there is a monetary pressure, complain, and, as they think, with obvious reason, that any pressure should be permitted to fall upon the monetary system, whilst there is 8,000,000 *l.* or 10,000,000 *l.* of bullion lying in the Issue Department. They are misled solely by not considering and understanding that if the bullion is lying in the Issue Department, that which represents the bullion is circulating amongst the public, and that you cannot bring out the bullion without putting into its place its representative, the Bank note. You cannot by any contrivance whatever have the same thing twice over.

4166. The bullion, in point of fact, cannot be brought into the circulation of the country, unless the notes are first sent into the Issue Department, and bullion is taken out thereupon?—Precisely; there is no doubt of that fact.

4167. *Chairman.*] I understand you to complain of your meaning having been misrepresented in Question 3929, where the question has implied it to be your view of the matter that bullion in the Bank of England is a part of the currency of the country?—Yes.

4168. Let me refer you to Questions and Answers 3879 and 3880; the first question is, "What do you include in the term 'currency;' do you include the notes and coin in the hands of the public only, or do you include the coin in the Bank of England as well?" The answer is, "I consider the Bank of England as a very important personage amongst the public; I know no difference between the Bank of England and my own bank, so far as that is concerned." The next question is, "Do you include the bullion in the Bank of England as part of the currency?" The answer is, "Yes." That answer, taken by itself, would naturally lead anybody to the inference that the bullion in the Bank, according to your conception, is part of the currency, would it not; and until your Lordship's language came to be explained, namely, that the Issue Department is not a department of the Bank, would it not naturally create a misunderstanding?—I prefaced my examination in a very early stage of it by stating, that I intended uniformly, when I used the term "Bank of England," the Banking Department of the Bank of England; that when I meant to speak of the Issue Department, I should endeavour to use that expression. It is possible there may have been some lapsus in some part or other of my examination, but I am inclined to think not. Now, it is perfectly clear, in Question 3929, that this question means, and has reference to the bullion lying in the Issue Department. When you speak of the small quantity of metallic money which is in the Banking Department, you speak of coin; you do not speak of bullion; and it is so small a sum that it really is altogether an evanescent quantity in discussing any principle. It is like the small change in each man's pocket; it really has nothing to do with a discussion of the principles of the question.

4169. If a person says that the bullion in the Bank of England is a part of the currency, does not that, without further definition, naturally lead to the inference that the bullion in the Issue Department is part of the currency, inasmuch as, according to the language of the Act, and according to generally received language, the Issue Department is a department of the Bank of England?—It might mean that in the mouth of a person who had not begun his examination by stating distinctly that when he spoke of the Bank of England, he spoke of the Banking Department.

4170. Sir *Charles Wood.*] Have the goodness to look at Questions and Answers 3897 and 3898. Were you not asked in those questions whether you were aware that it was a fact that previously to the Act of 1844 the Bank of England had kept an account in the same form as that which has since been given to the public?—Yes; these two questions refer to some supposed course on the part of the Bank of England of endeavouring to make out, for their own information and guidance, an account of the transactions of the Bank before 1844, upon the principles subsequently laid down by that Act. I stated that it was very possible and very natural that, as a tentative thing, the Bank Directors might have made out such an account for their own assistance and guidance; but any memoranda of that sort which the Bank Directors, or anybody else, may make

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out for their own guidance, have nothing whatever to do with the discussion of a public question of this sort, and of the practical results to flow from the principles. The only account of importance is that account which is put forth under authority, for the information and for the guidance of the public. It is quite possible, perhaps not improbable, that the Bank at this moment may be keeping, for their own amusement and instruction, an account, in the old blended form, to see how that account would contrast with the accounts as now published; that is perfectly possible, and I must say that I cannot come to any other conclusion than that some persons do, for their own guidance, keep an account in that blended form now, for it is upon that supposition only that I can possibly understand the extreme confusion and obscurity which prevails in the minds of some persons upon a subject perfectly simple and clear, if they will look at the separate accounts.

4171. Would it not be perfectly possible for any one of us, from the papers before us, to make out an account of the Bank affairs for former periods, in the form which is now given to the public?—There is no doubt that a great deal of instruction may be derived from making out accounts in a form different from the published accounts, and seeing the effect. As we go on with this discussion, I shall make use of that process myself, and I think that I shall be able to show that a great deal of instruction is to be derived from it. I shall apply the accounts published under the Act of 1844 to the periods of monetary pressure and embarrassment before 1844, and I think the Committee will then very clearly see what would have been the benefits which would have arisen to the country if the accounts, as they are now made out, had then been made out by authority, and published to the country for their instruction.

4172. Would not, in point of fact, the addition of 14,000,000 *l.* to the amount of bullion which at any time appeared in the Bank accounts, give a correct account of the amount of notes which could at that time have been out of the walls of the Issue Department, upon the principle now enforced by law, and shown in the account as now made out?—There is no doubt that that is the case; and when we come to discuss former periods, I shall be prepared to show the practical application of it, and the advantage to be derived from looking at the subject in that point of view.

4173. You stated in the evidence which you gave both on the last occasion and on the preceding day, that in your opinion the issue of the paper money of this country had on many occasions been in a most unsatisfactory and dangerous state previously to 1844?—I did.

4174. You stated, I think, that you were prepared at that time to go into the various instances, but your attention was then directed to what took place in the year 1847 and subsequently. Are you now prepared to state at what times previously to 1844 you consider that the issue of paper was in a very unsatisfactory state?—I certainly stated to the Committee that if the periods of monetary pressure which this country has undergone on various occasions were carefully examined, it would be found that those periods presented to the community very instructive lessons and very serious warnings; that the evils which then arose would be found to be intimately connected with the absence of the provisions of the Act of 1844; that it would be clear that had the provisions of the Act of 1844 been then in operation, the evils which occurred at those periods could not have occurred; and in the course of the same investigation they would find abundant continuous instances of excessive issues by banks, made at their own discretion and will, in obedience to the supposed wants of customers, over-issues in both senses of the word, namely, an absolute increase in the amount of paper issues when the bullion was undergoing a heavy diminution, and a maintenance of the paper issues at an undiminished amount, whilst the rapid diminution of the bullion required a contraction of the paper issues. Those two are, both of them, forms of over-issue, different in form, but substantially the same in principle. In going into such an inquiry, I must ask a little of the patience of the Committee, because it necessarily runs over a lengthened period. I will make it as brief as it can possibly be made, and I am quite certain of this, that if it is not both interesting and instructive, the fault rests entirely with me, and not with the matter.

4175. What are the periods to which you allude?—The periods to which I allude are 1783, 1793, 1797, 1800, 1808-9, 1825, and 1833 to 1837, contrasted with the state of things subsequent to 1844.

 4176. Will

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4176. Will you state how the issues of paper money in your opinion operated in the year 1783?—In 1783 and 1795, a severe exhaustion of the bullion was surmounted, and the exchanges were effectually stopped by a resolute and extraordinary degree of contraction of the circulation. My authority upon that point is Mr. Tooke, in the third volume of his History of Prices, p. 71. These are his words: "The large and long continued balances against us of foreign payments, which, on two memorable occasions previous to the Bank Restriction Act, nearly exhausted the stock of bullion before the exchanges had turned, were plain and palpable causes, and so obviously violent in their operation, that it is matter of wonder they could be counteracted and surmounted, for surmounted they were, and the exchanges were effectually turned by a resolute and extraordinary degree of contraction of the circulation. I allude to the instances in 1782-3 and 1795-6." Now the Committee will observe, that here is an emphatic declaration of the contraction of issues effected by the will of the issuer; here is clearly the principle of the Act of 1844 applied by anticipation; namely, the contraction of issues as a means for counteracting and effectually counteracting a very severe drain of bullion; and you find that by carrying out those principles, which are the principles of the Act of 1844, the drain was ultimately stopped. But these principles in that case were carried out late and tardily, and not in the early stage which the provisions of the Act of 1844 would enforce, and therefore, you had, previously to the effectual stoppage of the drain, a severe exhaustion of the bullion. That seems to me to be as regards those two periods, a clear, distinct, practical proof of the power of a bank to contract its issues; of the exercise of that power, and the stoppage of a drain by the exercise of that power, perfectly coincident with the principles of the Act of 1844, and at the same time a severe exhaustion of the bullion before you stop it, solely because the principles of the Act of 1844 were not in that case applied as early as they ought to have been.

4177. What is the next period to which you refer?—The next period to which I refer is 1793, in which a great destruction of bank paper, occasioned by contraction of the currency, consequent to its previous over-issue, took place. Upon that point my authority is Mr. M'Culloch. In his well-known article "Money," appended to his edition of Adam Smith, there is this passage. It is not quite so short as I could wish it to be, but I really think it is very instructive. "The first great reduction of country bank paper, arising from a contraction of the currency consequent upon its previous over-issue, took place in 1793; and the circumstances attending this crisis are so remarkable, and afford so striking an illustration of what has now been stated, that they deserve to be carefully investigated. Previously to 1759 the Bank of England had not issued any notes for less than 20 *l.*; but having then commenced the issue of 10 *l.* notes, its paper was gradually introduced into a wider circle, and the public became more habituated to its employment as money, in their ordinary transactions. The commercial distress and embarrassment that grew out of the American war, proved exceedingly unfavourable to the formation of country banks, or of any establishments requiring an unusual portion of credit and confidence. No sooner, however, had peace been concluded, than every thing assumed a new face. The agriculture and commerce, and still more the manufactures of the country, into which Sir Richard Arkwright's inventions had been lately introduced, immediately began to advance, with a rapidity unknown at any former period. In consequence, that confidence which had either been entirely destroyed, or, at all events, very much weakened by the disastrous events of the war, was fully re-established. The extended transactions of the country required fresh facilities for carrying them on; and in consequence a bank was erected in every market town, and almost in every village. The prudence, capital, and connexions of the individuals who set up these establishments, were but little attended to. The great object of a large class of traders was to obtain discounts." Now mark how far the regulation, by the wants of customers, is a safe principle. "And the bankers of an inferior description were equally anxious to accommodate them. All sorts of paper were thus forced into circulation, and enjoyed nearly the same degree of esteem. The bankers, and those with whom they dealt, had the fullest reliance on each other. No one seemed to suspect that there was anything hollow or unsound in the system. Credit of every kind was strained to the utmost; and the available funds at the disposal of the bankers were reduced far below the level which the magnitude of their transactions required to render them secure. The catastrophe

catastrophe which followed was such as might easily have been foreseen. The currency having become redundant, the exchanges took an unfavourable turn in the early part of 1792; and the Bank of England having been, in consequence, obliged to narrow her issues, a most violent revulsion took place in the latter part of 1792, and the beginning of 1793. The failure of one or two great houses excited a panic, which proved fatal to myriads more. When this revulsion began, there were, it is supposed, about 350 country banks in England and Wales, of which about 100 were compelled to stop payments, and upwards of 50 were totally destroyed, producing by their fall an extent of misery and bankruptcy that had, until then, been unknown in England. 'In the general distress and dismay,' says Mr. Macpherson, 'every one looked upon his neighbour with caution, if not with suspicion. It was impossible to raise money upon the security of machinery, or shares of canals; for the value of such property seemed to be annihilated in the gloomy apprehension of the sinking state of the country; its commerce and manufactures, and those who had any money, not knowing where they could place it for safety, kept it unemployed and locked up in their coffers. Amidst the general calamity the country banks, which had multiplied greatly beyond the demand of the country, for circulating paper currency, and whose eagerness to push their notes into circulation had laid the foundation of their own misfortunes'" (where was the regulating influence of the wants of customers,) "'were among the greatest sufferers, and consequently, among the greatest spreaders of distress and ruin among those connected with them; and they were also the chief cause of the drain of cash from the Bank of England, exceeding any demand of the kind for about 10 years back. Of these banks above 100 failed; whereof there were 12 in Yorkshire, seven in Northumberland, seven in Lincolnshire, six in Sussex, five in Lancashire, four in Northamptonshire, four in Somersetshire,' &c. Attempts have sometimes been made to show that this crisis was not really occasioned by an excessive quantity of unsubstantial paper currency having been forced into circulation, but by the agitation caused by the war which then broke out. But there do not seem to be any good grounds for this opinion. The natural and unavoidable consequences of a previous overflow of paper, a fall in the exchanges, and an exportation of bullion, took place early in 1792, or about 12 months before the breaking out of hostilities. And it is distinctly stated by Mr. Chalmers, that none of the great houses that failed during this crisis had sustained any damage from the war." "The efforts of the country bankers" (this is Mr. Chalmers) "to force their paper into circulation had principally occasioned the redundancy of the currency." I apprehend that that is quite sufficient upon the subject of the state of the currency at that period. It clearly shows the tendency of banks to over-issue in a period of excitement, and the inevitable results which follow from such over-issues, if they are not subjected to such a restraining principle as the Act of 1844 applies to them.

4178. What is the next period to which you refer?—The next period to which I refer is 1797. Mr. Tooke distinctly states, referring to this period, that had the Bank continued to suppress notes as the gold went out, the crisis would have been got over. There, I apprehend, is a distinct statement of the principle of the power of a bank to contract its notes, or in other words, to cancel them as they are paid in for gold; and a distinct statement of the principle that, had they been so cancelled, which is the application of the Act of 1844 to that period, the crisis would have been got over. It seems to me to be a distinct statement, that had the Act of 1844 been applied to the great crisis of 1797, the crisis would have been got over; in other words, we should have escaped the suspension of specie payments.

4179. During all these periods the Bank note was by law convertible into bullion?—During the whole of this period the Bank notes were convertible at the will of the holder; but I am bound to say that, with regard to that period of 1797, there are circumstances which may make it doubtful whether the Suspension Act was not a justifiable measure. The pressure in 1797 was undoubtedly, to a considerable extent, connected with political alarm, with the fear of foreign invasion, causing an internal demand for the exchange of notes into coin; under such circumstances, there is no measure founded upon principle which can pretend to afford an adequate protection. If, for instance, at this moment this country were suddenly exposed to the calamity of a very large foreign force occupying its soil, or if it were exposed to the calamity of a very formidable and serious

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civil insurrection, no doubt a state of panic alarm, with regard to the paper money, might arise, against which no provisions of the Act of 1844, nor any provisions founded upon principle, could possibly afford an adequate protection. But from that view of the subject, again, there is an inference to be drawn of a very instructive and warning character, namely, to make this Committee very cautious how they extend the issues upon securities. The only protection against such contingencies is the existence of a large amount of coin, or of bullion, in the country; and, therefore, when we are looking to contingencies of that nature, we may very properly pause at the questionable recommendation of increasing our issues upon securities, which is, in other words, diminishing our issues upon bullion.

4180. What is the next period to which you refer in illustration of the position which you laid down in your early answer?—The next period to which I draw the attention of the Committee is 1800. It was at this period that the first real fall in the value of Bank paper compared with gold, arose; and it was at this period that that experiment was tried which some persons have recommended to this Committee, of meeting the drain arising from the payment for imported provisions solely by paying out gold against it. The authority to which I refer upon this subject is again Mr. M'Culloch, in his article "Money," page 65. "The first fall in the value of Bank paper as compared with gold began in the latter part of 1800. The deficient harvest of that year caused a considerable exportation of the precious metals; but instead of contracting their issues, as they ought to have done had they acted on sound principles," (that is, on the principles of the Act of 1844 observe), "and as they would have been obliged to do, had they been paying in coin, the Directors added to the quantity of their notes afloat, and the consequence was that they fell to a discount of about 8 per cent. as compared with gold bullion. But they soon after recovered their value; and from 1803 to 1808, both inclusive, they were only at a discount of 2*l.* 13*s.* 2*d.* per cent. In 1809 and 1810, however, the Directors seem to have lost sight of every principle by which their issues had previously been governed. The average quantity of Bank notes in circulation, which had never exceeded 17½ millions, nor fallen short of 16½ millions in any one year, from 1802 to 1808, both inclusive, was in 1809 raised to 18,927,833 *l.*, and in 1810 to 22,541,523 *l.* The issues of country bank paper were increased in a still greater proportion." Now the Committee will observe that this enormous extent of increase from 17½ millions to 22½ millions, independently of the still greater proportion in which the country issues are stated to have been increased, applied entirely to issues put forth by the will of the issuer in obedience to the supposed wants of customers; and that these issues were, notwithstanding those supposed checks upon them, issues in excess, is clearly proved by the depreciation of the Bank note which ensued. Now it is perfectly true, that during this period the Bank note was not convertible, and no doubt upon a superficial view of the question, you may think that it is an answer to say that it is not a case in point; because during this period the note was not convertible upon demand. But so far as regards the question of the demands or wants of customers being a safe principle for regulating and limiting the amount of issues, the convertibility of the note has nothing whatever to do with the question. The demands of customers are for that which will with them perform the functions of money. The convertibility of the note may be a restraint upon the issuer, because it leaves him subject to a serious obligation, and may therefore make him cautious as to the extent to which he puts out his issues. But when we are speaking of the wants of customers or the demand of trade, as a safe regulator of issues, the convertibility of the note has nothing whatever to do with the question. What they demand and want is, that which will perform for them the functions of money; they want that which will be to them a universal equivalent; a universal power of purchasing other things, and the convertibility of the note does not, as regards that part of the question, at all enter into it.

4181. To what period would you next refer?—The next period to which I should refer is one which I cannot pass over, namely, the great period of 1819. At that time, as everybody knows, the resumption of cash payments was ordained; it was then that Sir Robert Peel introduced that Act by which he restored the money of this country to its honest value. Now, a large body of persons, who are opponents of the Act of 1844, boast loudly of their uncompromising approval and support of the Act of 1819. I should be glad to have some

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some of those persons as witnesses in my situation, and to be allowed to put a few questions to them. Upon what principle do they support the Act of 1819, and repudiate the Act of 1844? Upon what principle does Mr. Tooke approve of the Act of 1819? That I will give you in his own words: "The merit of this measure consisted in the sanction which it afforded to the principle, that the Bank has the power, by the regulation of its issues, to preserve the value of its paper on a level with that of gold." I submit to the Committee that that is as plain and as emphatic a declaration of the power of a bank, and especially of the Bank of England, to regulate its issues by its own will, as can possibly fall from the lips of man; and I would ask those persons who are now maintaining that the Bank has no power by its mere will to regulate its issues, upon what ground they support the Act of 1819. Do they support it upon the ground of the principle here laid down by Mr. Tooke? If they do, how do they reconcile that principle with the doctrines which they are now endeavouring to enforce upon this Committee? If they do not support it upon the ground on which Mr. Tooke has placed it, I should be then very glad to know upon what intelligible ground they do rest their justification of the Act of 1819, and their repudiation of the provisions of the Act of 1844. It was with a view to making that remark, and bringing that very rational and sound passage of Mr. Tooke under the notice of the Committee, that I referred to the period of 1819.

4182. What is the next period subsequent to 1819, to which you would refer as an instance of mismanagement in the issues of paper money in this country? —We now arrive at the great crisis of 1825, and here we must come to close quarters with our opponents. The amount of notes out of the Bank in August 1823, has been compared with the amount out in August 1825, for the purpose of showing that between the time of depression and excitement there was no increase whatever in the amount of the Bank of England notes out; the figures given are as follows: 1823, August, Bank notes out, 19,231,000*l.*, bullion 12,658,000*l.*; 1825, August, Bank notes out, 19,398,000*l.*, bullion 3,634,000*l.*; and it is further added that there is no positive evidence of the amount of country issues, but that there is presumptive evidence that it must rather have diminished. I cannot refrain from expressing my utter amazement at this statement; it is erroneous, and calculated to lead to erroneous conclusions in the fullest sense of the word. First, as regards the issues of the Bank of England; no reference in this statement is made to the suppression of 1*l.* notes, and the substitution of coin for the 1*l.* notes, which was then in progress; or rather this consideration is slurred over by the astounding statement, that whether they are 5*l.* notes or 1*l.* notes makes little or no difference as to the argument. The Committee will not fail to observe, that it was not the substitution of 5*l.* notes for 1*l.* notes, which was then going on; that was a process mechanically impossible, it was the substitution of sovereigns in the place of 1*l.* notes; the substitution of metallic money in the place of paper money. Upon this point, Mr. Tooke has much clearer views than those who boast of being his followers appear to entertain. He could perceive a great difference in the argument, whether they were 1*l.* notes or 5*l.* notes. Speaking of another period, but with reference to precisely the same argument and the same kind of facts, he makes this remark: "The amount of such issues, including the notes under 5*l.*, as it stood prior to 1820 has been adduced in comparison with the amount of the circulation at subsequent periods, minus the small notes, and without allowing for the substitution." Does he say of 5*l.* notes? No; "and without allowing for the substitution of sovereigns, in proof of the alleged great contraction of the currency and its necessary consequence, the great fall of prices." There is a clear and a perfectly rational distinction, that where 1*l.* notes are under the process of suppression, their place is taken by an increase of the metallic money of the country; and that therefore, in taking any comparative view of the amount of paper money at two different periods, the amount of 1*l.* notes at those two periods must be struck out, if those 1*l.* notes are under the process of suppression. Now, let us look at this question fairly stated: 1821, August, Bank notes out, 20,295,000*l.*; 1825, August, Bank notes out, 19,398,000*l.* Here we have an apparent decrease of bank notes between 1821 and 1825, of about 1,000,000*l.* But Bank notes of 5*l.* and upwards out in August 1821, were, 17,747,000*l.*; Bank notes under 5*l.* at that period, 2,548,000*l.* Bank notes of 5*l.* and upwards out in August 1825 were, 19,000,000*l.*; Bank notes under 5*l.* were reduced to 396,000*l.* The account

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then, when fairly and candidly analysed, shows an actual increase of Bank of England notes of about 1,250,000*l.* This course of things it is well known ended in the entire exhaustion of the bullion in the Bank of England. How would matters have stood (and to this I beg to draw the pointed attention of the Committee) if the provisions of 1844 had then been in force. In August 1825 the bullion was 3,634,000*l.*; the notes, had the provisions of the Act of 1844 been then in force, which would have been issued upon securities, would have been 14,000,000*l.*, making the total issue of notes 17,634,000*l.* But at that time the actual amount of notes out of the hands of the Bank of England was 19,398,000*l.* Here then we have nearly 2,000,000*l.* of notes actually out of the Bank of England, beyond the amount which could have been issued had the Act of 1844 been then in force; and this without making a reserve of a single Bank note in the till of the Bank for the conduct of its business. In this stage of the discussion I must ask the permission of the Committee to read to them a paragraph from the pamphlet of Mr. Arbuthnot, a pamphlet which I cannot allude to without strongly recommending every Member of the Committee to give to it a careful and attentive perusal. I am sure it will enable them to see through many of the fallacies, and to estimate, with much greater correctness, the weight which is due to many of the considerations which have been urged upon their attention. "With these figures before the writer, he has failed to observe the important fact that the apparent diminution of the circulation of the Bank of England was owing to the withdrawal of 1*l.* notes," (the statement "before the writer" is the statement which I have recently made to the Committee) "and the substitution for them of gold coin within the district of its exclusive privileges, and that the circulation of Bank notes and bills of 5*l.* and upwards in 1825, the only point of just comparison, shows an increase of 1,255,430*l.* over that in the corresponding period of 1821. But this is not all; the writer refers to a period of the year 1825 when a considerable contraction of the circulation, the forerunner of the impending crisis, had already taken place. The returns of an earlier month, previously quoted, would have afforded a more conclusive comparison," (I am obliged to alter one or two words, because I am not allowed to refer to the individual), "and he had before him a statement, from which it appears, that on the 28th of February 1825 the amount of notes of 5*l.* and upwards and post bills issued by the Bank of England was 20,337,030*l.*, being an increase of no less than 2,889,670*l.* over the amount of these instruments in the corresponding month of 1821." Again, "an omission has been made, to bear in mind the excessive issues by country banks in 1825, increasing simultaneously with those of the Bank of England, to the extent of about 33 per cent." Is it not clear, I would put it strongly to the Committee, clear to demonstration, that had the provisions of the Act of 1844 been in force during the period of 1824 and 1825, the correctives would have been applied at a much earlier period, the drain would have been checked long before the bullion had been reduced even to 3,600,000*l.*, and monetary alarm and difficulty would not have been superadded to mercantile and trading embarrassment at that period. In the spring of 1825, let me remind the Committee, Mr. Huskisson emphatically warned the public that the exchanges were then in an unsatisfactory and unsafe state; but this warning from him passed unheeded as the sound of the wind. Now this would have been impossible if the Act of 1844 had been then in force. A large share of the disasters of 1825 may thus be distinctly traced to the absence of the early and firm restriction which the Act of 1844 would have imposed on the excessive issues of paper money at that period as, on the other hand, the efficient operation of that Act during recent pressure has preserved the bullion from the exhaustion of 1825, and has saved the trading community from a large portion of the disasters which characterised that period. But the case does not terminate here; far from it. We have yet the question of the country issues to deal with. They, forsooth, were not increased, but rather there is presumptive evidence that they were diminished at that period; such is the proposition intimated by the course of examination which has been pursued before this Committee; he must be a reckless man who makes that assertion. Will any one, who had personal knowledge of the state of monetary affairs at that period, venture to say that there can be the slightest doubt as to the immense increase of the country issues previously to 1825.

4183. What account have you of the increase of country notes during that period?—

period?—It is well known that Mr. Tooke estimated the increase of the country issues at that period at 7,000,000*l.* Lord Liverpool formed the more sober estimate of 4,000,000*l.* I will, however, in answer to the question which has just been put to me, read to the Committee the authorities upon that subject. Mr. Tooke published an elaborate and well known pamphlet for the purpose of proving, as I have stated, that the issues at that time underwent an increase of 7,000,000*l.*; that probably was an over-estimate, though upon that point there may be doubt. But the first person whom I call as a testimony on that subject is the Prime Minister, at that time the late Lord Liverpool, a man well known to have been peculiarly conversant with those subjects, and of course, from the extraordinary events of that period, he was called upon to apply to them the most careful and serious investigation. These are his words: "Speculations in trade had been the origin of the evil, but it would not have been so extensive if it had not been aided by the state of the currency. Between 1824 and 1826 this species of circulation (country issues) had been actually doubled; this was a most material fact, and proved the continuance of the increased issues of the country banks after the Bank of England had contracted its issues to a very considerable amount. Whatever reduction of the paper circulation was effected by the Bank of England (in 1825) was more than made up by the issues of the country banks." That is the statement of Lord Liverpool, publicly, in the House of Lords, in a debate upon the crisis of 1825, which occurred on the 17th of February 1826. The next authority to which I appeal, is that of Lord Lansdowne; Lord Lansdowne brought to the subject all the experience to be derived from his having been Chancellor of the Exchequer. He was placed at that time in a position of political hostility to Lord Liverpool, when his peculiar duty was to watch every statement of the Minister with the most suspicious vigilance, and to take care that no statement open to question was allowed to pass unquestioned. Did Lord Lansdowne dissent from this statement of his opponent. On the contrary, he entirely confirmed it; these are his words: "It was manifest that between the currency and speculation there was a mutual action and reaction. He found an issue from the Bank increasing in the ratio of 8 per cent. from 1824; he also found in 1825, after the Bank issues had increased, that the issue of country bank notes had been increased about 33 per cent.; gold, in consequence, rapidly left the country." The next authority which I quote is the very highest mercantile authority that existed at that time, the late Lord Ashburton, then Mr. Alexander Baring, at the head of the largest mercantile concern then in England. He declares that at this time the country was saturated with paper money, for pushing out which the country banks and the Bank of England were answerable. The next authority which I appeal to is the authority of history. I appeal to the Pictorial History of England; a work of considerable repute and authority. What do they say, having investigated all the evidence of that period, and formed a conclusion which they can state as a matter of history. "The Bank of England went on increasing its issues through the whole of 1824, and for three months of the next year. Between June 1824 and October 1825, from ten to twelve millions of coin and bullion were exported, and during the greater part of that time, the Bank was still putting out its notes; and the provincial banks issued as many as they could, till the country was deluged with paper money. In 1825 there was from 30 to 40 per cent. more paper money out than in 1822." I would only refer to one further authority, and I refer to it because it may be thought a more impartial authority, being that of a foreigner. I appeal to the authority of Monsieur Gautier, who at that time was a peer of France, also Deputy Governor of the Bank of France, and was a writer of considerable eminence on these subjects. Of course, such a crisis as that of 1825 to a person in that situation must have been the subject of vigilant observation; and here is the result of his investigation: "Une autre crise plus violente encore commença en 1824. L'année précédente la spéculation avait pris un essor exagéré et imprudent. Les banques particulières, toujours avides de s'arracher les unes aux autres les benefices que des circonstances semblables font naître pour elles, s'étaient livrées à des émissions excessives. Il en resulta un trop plein dans la circulation, et le cours des changes s'étant fort degradé, une tendence à épuiser la réserve en or de la banque commença à se manifester." Now in the face of the universally acknowledged notoriety of the fact of the excessive state of the country issues at that time, and in the face of all the authorities which I have now quoted, publicly

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publicly made in every possible way, and never disputed by any one single person whatever at that period, we are gravely told that we have no official return at this moment, of the country issues in 1825; and, therefore, the Committee is advised by high financial authority, that it is bound to come to the conclusion that upon the whole there is presumptive evidence that they were even somewhat diminished. This seems to me to be about as unreasonable as it would be were I now to tell you that we are not sitting in the full light of day, but that there is presumptive evidence that we are at this moment, notwithstanding the notoriety of our position, really sitting in the dark, because I cannot produce before you the official certificate of the Astronomer Royal that the sun rose this morning at its proper hour.

4184. Will you now be good enough to refer to the period from 1833 to 1837, which I think was the next monetary crisis which took place in this country?—The next period of great monetary importance is no doubt the period from 1833 to 1839. The same argument has been pressed upon the Committee with respect to this period as that which we have been discussing with respect to the period of 1825, and it has been accompanied with the same remarkable omission of a most important fact. The case laid before the Committee I believe is this: In January 1834, the aggregate circulation of the country was 37,855,000 *l.*, the bullion 9,952,000 *l.* In January 1836, the aggregate circulation was 37,779,000 *l.*, and in January 1837 the aggregate circulation was 38,549,000 *l.*, the bullion having been reduced to 3,990,000 *l.* The inference which it is proposed that we should draw is this, that therefore an increase of trade or an increase of speculation does not necessarily lead to an increase of notes in the hands of the public. Such is the reasoning which I have been given to understand has been gravely presented to this Committee; but what is the suppressed fact? In September 1833 the aggregate circulation was 36,035,000 *l.*; in December 1837 it was 36,163,000 *l.*, therefore there was no material increase in the aggregate circulation of the country during this period. But what is the reply to this. I will not give it you in my own words; I will only repeat words which the Committee have already heard. "In April 1836 the aggregate circulation went up to 39,500,000 *l.*, and in the interval there had been failures and great discredit of those banks." To this rather inconvenient fact a reply is set up that it is attributable to the payment of the dividends in the month of April; but Ithuriel's spear is again at work. "I see that only 600,000 *l.* of that increase is due to Bank of England circulation." Now here I submit to the Committee that two extreme points are taken, at which the aggregate circulation appears to have been pretty much the same; and the conclusion (wholly unfounded and fallacious) is drawn, that there has been no variation in the intervening time. If there has been excitement in that intervening time, it is attributed to the date which gives the figures that suit the arguments. Enough, I think, has been said to enable the Committee to form a just estimate of this mode of reasoning. But it remains for us, now to consider the events of this period, with reference to what would have been the effect if the Act of 1844 had then been in force. The periods of crisis were 1837 and 1839. How would the Act of 1844, if then in force, have worked? And to this I draw the pointed attention of the Committee, because really in it consists the whole question which they have to decide. In February 1837, the bullion was 3,938,000 *l.*; the advance upon securities, had the Act of 1844 been in force, would have been 14,000,000 *l.*, making a total issue, if the provisions of 1844 had been in force, of 17,938,000 *l.* But the actual notes out of the Bank of England, and without making any reserve in the till with which the Bank should work its own business, were 18,535,000 *l.* Again, in August 1839, the bullion was 2,444,000 *l.*; the amount issued upon securities by the provisions of the Act of 1844, 14,000,000 *l.*, would have made a total issue of 16,444,000 *l.*; but the actual issues again at that time, with no reserve for the banking purposes of the Bank of England, were 18,014,000 *l.* From these statements, I submit to the Committee, it is perfectly clear that the Act of 1844 would have imposed an early and most salutary restraint upon improper and mischievous over issues, and would have rendered it impossible that monetary affairs should have reached the disastrous extremity to which, in the absence of the provisions of that Act, the country was reduced.

4185. I understand you to mean by that answer that a publication of the accounts of the Bank in the present form would have shown at a much earlier period

period the rapid diminution of the reserve of the Bank of England, and would therefore have called the attention of the public to that fact, as well as have impressed upon the Directors of the Bank the necessity of an earlier contraction of their circulation?—Undoubtedly I mean that. In the first place, if the accounts, as now published, had been published at that time, the state of things here set forth could not have been reached, because it would have appeared by the published accounts long before matters reached this point, that the reserve of the Bank of England was absolutely exhausted. In the second place, this amount of notes could not have been put out; the Issue Department would not have issued such a quantity of notes. In the third place, it is quite clear that had the accounts been then published, as they are now published, the public and the Bank would both have seen the steady, and regular, and irresistible diminution of the banking reserve; and seeing that, they would have been compelled to resort to protective measures to make their rate of interest correspond to the increasing value of money; and in that way the reduction of bullion to anything like the amount here stated would have been absolutely impossible; in other words, we should, at that period, have done what we have done in 1847 and in 1857. We should have preserved the bullion at an amount never below 8,000,000*l.*; we should have introduced correctives in an early stage of the business. The value of money would have increased the moment the bullion began to go out of the country, and that gradual increase in the value of money would have produced a gradually increasing pressure upon all those circumstances which are the true correctives of a drain. If there ever was a case of moral considerations to which you could rationally and fairly apply the term "demonstration," I do not know how anything can be demonstrated if these facts do not demonstrate, beyond all possibility of controversy, that the Act of 1844 would have protected us in every one of those periods. This closes the chapter of monetary history previously to 1844. The review of this period has presented to us instances of the absolute increase of the total amount of paper issues during a drain of bullion; and other instances of paper money maintained at its full amount, when the great decrease of bullion clearly showed that a metallic circulation would have been contracted. On this point I beg leave to quote the words of Mr. Huskisson: "If the currency consists partly of coin and partly of paper, the excess of paper above what the currency would be if it were coin must be an excess of currency, and naturally tend to depreciation." That is from Mr. Huskisson's speech on Mr. Horner's celebrated resolutions; and I would further support that, if it be necessary, by the authority of Mr. M'Culloch, who says, "When a currency consists partly of the precious metals and partly of paper immediately convertible into them, any over-issue of the latter depresses not merely the value of the paper money, but of the coins which circulate along with it. Those coins, therefore, are immediately converted into bullion or exported. The ultimate effect of an over-issue of paper in a country whose currency consists partly of coin, is an exportation of coin, or of bullion formed out of the coin." These principles are perfectly obvious. They are the very elements of science on this subject, and I confess I was very much surprised to hear a statement from my excellent and highly intelligent friend, Mr. Norman, who told me that in giving his evidence here, when he first stated to this Committee that an excessive issue of paper money, although not depreciating the paper money with reference to the coin into which it was convertible, depreciated the whole money of this country in comparison with the monies of other countries, there was great surprise in this Committee on the part of some, who seemed to be perfectly astounded as if a ghost had appeared. I am prepared to say, that this principle is one of the most simple and most distinct; universally recognised by every writer of any authority who has ever written upon the subject; in fact, the very elementary principle of the whole question. To show how familiar every writer is with that principle, and how astonishing it is that any person should take a prominent part in the discussions of this Committee who is not perfectly familiar with that principle, I quote another very short passage from Mr. M'Culloch again: "When the currency of any particular country, as of England, consists partly of the precious metals, and partly of paper convertible into them, the effects produced by an over issue of paper are the same as those resulting from an over issue of gold or silver. The excess of paper is not indicated by a depreciation or fall in the value of paper as compared with gold, but" (and these words are in *italics* in his own book) "by a depreciation in the value of the whole currency, gold as well as paper, as compared

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pared with that of other states." Without a full and clear understanding of that principle it is impossible to understand any part of this subject. Convertible notes may be issued, continually depreciating the currency, until the metallic portion of the currency has been entirely banished from the country; and then the notes, now become inconvertible, may be further issued until all the transactions of society have been brought to a state of utter confusion. To this process the wants of customers will oppose no obstacle or salutary restraint; these will be found as urgent, probably more urgent and extravagant, at the end than at the commencement.

4186. The necessary result of such a state of things is, the exportation of that portion of the circulation which consists in gold, which alone has a value in a foreign country?—No doubt; for internal purposes, the paper and the gold circulate at equivalent values, but the moment you bring the circulation into such a state that there must be a portion of the money exported, that portion only will be exported which has an intrinsic value; the paper will remain in the country, and that portion which has an intrinsic value will go abroad; and that process may be continued by keeping up the amount of the paper money until the whole metallic portion of the money of the country has gone abroad; when you have arrived at the exclusively paper money in the country, you have arrived at the suspension of specie payments, and then you may go on issuing your paper to any extent which you think proper; the wants of customers will never restrain or check your issues; they are absolutely illimitable, in the nature of things; money is wanted by everybody, to any extent; it matters not whether you issue 1,000,000 *l.*, or 10,000,000 *l.*, or 100,000,000 *l.*; so long as it is the universal equivalent in exchange, the wants of customers will demand it to an illimitable extent, and the multiplied instances throughout the world of the excessive issues of inconvertible paper are clear proof of this.

4187. You are of opinion, then, that there is abundant proof, according to the principles laid down by Mr. Huskisson, of the over issue of paper in the years 1837 and 1839?—Undoubtedly; it is as clearly proved as any demonstration in Euclid can be. The paper money in 1837 and 1839 exceeded that which would have been the amount of paper money in this country, upon the assumed process of issuing upon 14,000,000 *l.* of securities. But that which is the really conclusive part of the case is this, that whilst the money kept going out of the country, the quantity of money remaining in the country was not diminished, because as the gold went out notes after notes were put out to supply its place; therefore you had a continual diminution of the metallic money of the country going on, whilst by your paper machinery you kept up the absolute amount of the money of the country undiminished. That, of course, was maintaining a permanent state of depreciation of the money of this country, as compared with the money of other countries of the world, and as long as you kept that up, your gold would go out until it was all exhausted.

4188. You consider that the facts which then occurred are perfectly irreconcileable with the opinion which has been held, that a currency convertible of paper and gold must vary as a metallic currency would vary, or that the mere convertibility of the paper is a sufficient protection for the proper regulation of issues?—I cannot suppose that it has ever been stated to this Committee in so many words, that a mixed currency of paper and gold must vary as a metallic currency would vary; no person could ever have stated anything so absurd as that; it is impossible. Every case, and they are innumerable, in which the paper money has been maintained at an undiminished amount during a drain of bullion, that is during a contraction of metallic money, is a practical contradiction of this doctrine.

4189. Will you have the goodness to refer to the circumstances affecting the currency, which have occurred since the passing of the Act of 1844?—We have now to trace the effects of the Act of 1844 in full operation, and to contrast the results upon the monetary system with those which occurred before we had the protection of that Act. First as to 1847. In this year we had a severe drain of bullion, arising as usual from a complication of causes, amongst which was the heavy payments for provisions imported; we had a great demand for capital caused by extensive transference of capital from a circulating to a fixed form in railways; a consequent high rate of interest; we had very extensive mercantile insolvency; we had timid action on the part of the Bank of England from the novelty of its position; and finally, we had an ignorant panic on the part of the public,

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public, caused by their apprehension of the operation of a law, the principles of which they did not at that time fully understand. In the face of all these combined difficulties the bullion reserve was effectually protected, as it never had been on any previous occasion. And I have fully explained to the Committee (and I am prepared, if required to do so, further to illustrate that explanation), the grounds upon which I confidently assert that without the Act of 1844 we should in the spring of 1847 have suspended specie payments. I now pass on to 1856 and 1857. During the last two years, we have again been called upon to meet a severe and protracted drain upon the bullion, arising from war expenditure and other causes, and to deal also with a violent disturbance in the distribution of the precious metals throughout the world. Suffice it to say, that by strict and prompt adherence to the principles of the Act of 1844, everything has passed off with regularity and ease, the monetary system is safe and unshaken, the prosperity of the country is undisputed, the public confidence in the wisdom of the Act of 1844 is daily gaining strength, and if the Committee wish for further practical illustration of the soundness of the principles on which it rests, or of the beneficial results which it has ensured, the true and sufficient answer to the Committee is, look around you, look at the present state of the trade of this country, look at the prosperous condition of the revenue of the country, look at the contentment of the people, look at the wealth and prosperity which pervades every class of the community, and then having done so, the Committee may be fairly called upon to decide whether they will interfere with the continuance of an Act under which those results have been developed.

4190. Do you entertain any doubt as to the solidity of the principles upon which the Act of 1844 is founded, or the vindication of those principles which the events of the last 13 years have afforded?—I entertain no doubt of any sort or kind upon that subject. I look upon it that Sir Robert Peel in 1819 restored the money of this country to its just value. I look upon it that by the provisions of the Act of 1844, he gave to the country good security for the permanent maintenance of that just value, and thus completed, it is a noble work; and I feel confident that this Committee will never take upon itself the disgrace of now destroying that work.

4191. Reference has been made in the evidence already given before this Committee to the circumstances of the issue of paper money in the United States; are you at all acquainted with the facts as regards that issue of money in that country?—I certainly lived in active prosecution of business whilst those events took place; they occupied a great deal of my attention and my thought at that time, and I have not forgotten them since. I have with me a statement, made as short as the circumstances would permit with reference to those events, and I would ask leave to read it to the Committee, because I am sure that if anything further is requisite, this statement addressed to practical men is quite sufficient to settle the question which they have now before them.

4192. Will you have the goodness to inform the Committee, as far as you know, what was the state of the law of the United States by which the issues of banks were regulated?—I think you will find that the answer to that question is fully involved in the statement which I am about to make.

4193. Have the goodness then to place that statement before the Committee?—"It has been the uniform practice of the different States of the Union to allow banks to be established for the issue of notes, payable in specie on demand. In cases where the liability of the shareholders in these banks was to be limited they have been established by an Act of the local legislature; but down to a comparatively late period banking was, speaking generally, quite free, and all individuals or associations might issue notes provided they engaged to pay them when presented. Under this system the changes in the amount and value of the paper currency of the United States have been greater than in any other country, and it has produced an unprecedented amount of bankruptcy and ruin. Between 1811 and 1820 about 195 banks in different parts of the Union became bankrupt, and it is said in a report by the Secretary of the Treasury of the United States, dated the 12th May 1820, that these failures, which mostly happened in 1819, had produced a state of distress so general and severe that few examples of the like had then occurred; but bad as this instance was, it was nothing to that which took place subsequently to 1834. The accounts of the aggregate issues

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of the banks differ a little, but the following statement is believed to be nearly accurate, viz.,

Years.	Notes.
1830 - - - -	66,628,898 dollars;
1834 - - - -	94,839,570 dollars;
1835 - - - -	103,692,495 dollars;
1836 - - - -	140,310,638 dollars;
1837 - - - -	149,185,890 dollars."

(These were issues made by banks in obedience to the wants of customers, and in notes payable to the bearer on demand.) "Now, observe that this sudden and enormous increase took place under the obligation to pay notes on demand! The result is such, as every man of sense must have anticipated; that is" (now I beg attention to this), "every bank within the Union without, it is believed a single exception, stopped payments in 1837. In 1838 such of the banks as had been best managed, and had the largest capitals, resumed payments in specie; but in 1839 and 1840 a farther crash took place, and the bank notes afloat which, as has been seen, had amounted to 149,185,890 dollars in 1837, sunk to 83,734,000 in 1842, and to 58,563,000 in 1843." I hope we shall hear no more of the violent fluctuations unnecessarily produced by the Act of 1844 in this country. "It is supposed that in this latter crash nearly 180 banks, including the Bank of the United States, were totally destroyed; and the loss occasioned by the depreciation which it caused in the value of stock of all kinds, and of all sorts of property, was quite enormous; and yet vast as the loss was, it was really trifling, as a writer in the American Almanack has stated, compared with 'the injury resulting to society from the upheaving it occasioned of the elements of social order, and the utter demoralisation of men, by the irresistible temptation to speculation which it afforded, ending in swindling to retain ill-gotten riches.'" Now this is the result of the application of that very system which the opponents of the Act of 1844 are pressing upon the consideration of this Committee. It is perilous nonsense coming from high quarters, from which we are entitled to expect more sound information and safe advice, you may rest well assured; I must speak plainly; I have a great public duty to discharge in giving my evidence upon this matter. "Since 1842 there has been much bankruptcy among the American banks; but there has been no such crash as that now referred to. This has been a consequence of the measures that have been taken in nearly all the States to restrain the free action of the banks." Now you come to the question of taking security. "Thus, in New York, the banks are divided into two great classes, the incorporated and the free banks. The former, which are incorporated by a State law, have to conform to certain regulations, and have to contribute a certain sum annually to a security fund, which is devoted to the payment of the notes of defaulting banks. But this is a most objectionable plan, for in the first place it does not prevent bankruptcies; and in the second place it compels the well-managed banks to contribute to a fund which goes to pay the debts of those that are mismanaged. It is consequently declining in favour. The other plan is for the banks to deposit securities in proportion to their issues, and this is certainly by far the more efficient of the two. But it is objectionable, because, first, a longer or shorter, but always a considerable, period necessarily elapses after a bank stops before its notes can be retired; and, secondly, because in a period of panic or general distrust, the securities lodged for the notes would most likely become inconvertible. The Under Secretary of the Treasury of the United States has animadverted as follows on this plan, in a letter dated 27th November 1854." Happy the country that has a Secretary of the Treasury who may be relied upon to give solid information and safe advice to the country which he serves. This is the language of the Under Secretary of the Treasury. "The policy of many of the state governments has of late years consisted in encouraging the issue of small notes by sanctioning the establishment of what are popularly called 'free banks,' with deposits of stocks and mortgages for the 'ultimate' security of their issues. This 'ultimate' security is, it may be admitted, better than no security at all. The mischief is, that it is least available when most wanted; the very causes which prevent the banks from redeeming their issues promptly, cause a fall in the value of the stocks and mortgages on the 'ultimate security' of which their notes have been issued. The 'ultimate security' may avail something to the broker who buys them at a discount, and can hold on to them for months or years; but the labouring man who has notes of these

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'State security banks' in possession, finds, when they stop payment, that the 'ultimate security' for their redemption does not prevent his losing 25 cents., 50 cents., or even 75 cents in the dollar. In a circulating medium, we want something more than 'ultimate security,' we want also 'immediate security;' we want security that is good to-day, and will be good to-morrow, and the next day, and for ever thereafter. This security is found in gold and silver, and in these only." (Those are the words of the Under Secretary of the Treasury of the United States.) We find nothing here about the impossibility of Banks regulating their issues by their own will—nothing of the safety of leaving the amount of paper issues to be regulated by the demands of customers or the wants of trade—nothing of the doctrine that paper issues beyond the supposed wants of customers will assuredly be merged and lost in the increase of deposits. I proceed—"On the whole it is sufficiently certain that there is only one way in which notes can be issued so that it shall be absolutely certain that they will be paid on their being presented, and that is by not permitting them to be issued, except in exchange for an equivalent amount of coin or bullion. That is the plan on which the Act of 1844 proceeds, and it is the only plan of the sort that is effectual for its object."

4194. I understand from the early part of your last answer that during the whole of this time, by the law of the United States, the notes were payable on demand in bullion?—During the whole of this time the notes were payable to the bearer on demand, and they were issued by the banks in compliance with the demands of customers.

4195. When you speak of an over-issue, do you mean an absolute increase of paper issue, or the maintenance of notes at a higher amount than would be justified by the amount of bullion in the country during a drain?—When I speak of an over-issue, I speak of both, because they are the same in principle. You may make an absolute increase in the amount of the money of the country by a further issue of paper notes, or you may, whilst a drain of bullion is going on, maintain the amount of money in the country at an undiminished sum, by continually re-issuing the paper notes which have been paid in for the purpose of obtaining the bullion: it is in reality, in both cases, an over-issue of precisely the same character, and producing the same effects; it is identical in principle, varying only in its external form, and it is by over-issue in both of those forms that the monetary system of this country has been repeatedly convulsed; in 1797, by an over-issue of that sort, it was brought to the absolute suspension of its specie payments; on other occasions it has been brought only to the extreme verge of it.

4196. Do you conceive that the Act of 1844 was proposed by Sir Robert Peel on the notion of its lasting for a few years only, or as a permanent measure, at any rate in principle?—I presume that there cannot be room for the slightest doubt on the mind of any person whatever upon that subject; in the first place, there are many Acts in this country which are absolutely passed for a limited period, but with respect to which it is still perfectly well known that they are intended to be continuous Acts. When we pass at the close of every session, the Mutiny Act for one year, I apprehend that no man living supposes for one moment that that is an Act passed for one year, and to last for one year and no longer. But the case here is far different from that. The Act of 1844 is an Act permanent in the very construction of it; it is an Act which goes on in perpetuity unless Parliament interposes its own hand to destroy it; a power of doing so is undoubtedly reserved; at the end of 10 years a power arises upon giving a certain complicated notice to revise that Act, to amend it or to repeal it. But if Parliament does not exercise that power, the Act is by its own construction and words permanent. And there is a great deal more than that. That is the language of the Act, but we interpret the meaning and purpose of an Act by many collateral evidences. I am sure everybody will remember, or at least those who paid any attention to the subject will remember, that when the Government proposed to the Bank to make this Act revisable after a period of ten years upon its giving a certain notice, the Bank Directors partially only acquiesced in that, and suggested that the true course would be to give a power of revising the Act at the end of 10 years upon proper notice; but that if that notice was not given at the end of the 10 years, then the Act should have a continuous existence for another 10 years. To this Sir Robert Peel and the Treasury objected, and what was the ground of their objection? I beg leave upon that point to make

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this statement, because I think it may be a useful admonition with reference to a good deal of what has passed in this Committee. They objected to that proposal upon this ground, that they thought such a provision would necessitate discussions at the end of ten years; but the plan which they proposed they thought was far better, because they hoped that it would obviate all necessity for reviving discussions upon currency and banking questions, which they held to be very detrimental to the public interests. A clause therefore was introduced for the express purpose of obviating even the probability of discussion upon the subject of the Act, and here are the words of Mr. Goulburn's letter: "In making the proposal contained in my letter of the 27th ult., the Government were mainly influenced by the consideration (to which you appear also to attach much weight), that it was not advisable unnecessarily to agitate questions affecting the banking interests and the currency of the country. We confidently hope that the arrangement now to be made will be found, at the end of 10 years, to have satisfied public expectation." Is that any indication of an intention that it should not last longer than 10 years? "And in that case there would probably be a disposition, encouraged by the knowledge that the subject was at any time open to discussion, to forbear from proposing a change in the existing system. But, on the other hand, if the opportunity of revision afforded at the end of 10 years was not again to occur till the expiration of a similar period, the necessity of reviewing what was otherwise to be for so long a time irrevocable, could scarcely be denied." I apprehend that that passage at once disposes of the question as to the intention of Sir Robert Peel, with regard to this Act, and as to all idea of the Act being passed with the view of its lasting 10 years and no longer. The only further remark which I will make is that this paper is laid before Parliament, bearing the counter-signature of "James Wilson."

4197. We have had a good deal of discussion about the reserve of the Bank of England. What do you conceive the reserve of the Bank of England, that is to say, of the Banking Department of the Bank of England, to consist of?—The reserve of the Bank of England consists of that portion of the money of the country which it has at its immediate command and disposal for the working of its business.

4198. I need hardly ask you whether you consider that the bullion in the Issue Department is any portion of the reserve of the Bank of England in its banking business?—It has no sort of connexion with it. The bullion is the reserve of the Issue Department to meet the demands of note holders; the bank notes in the till of the Bank of England are its reserve to meet the demands of its depositors.

4199. Do you think that it would be advisable, either in the old form or in some forms which have been suggested to the Committee, again to mix the accounts of the Issue Department and of the Banking Departments of the Bank of England?—I dare not tax the time of the Committee further; otherwise upon the subject of blending the accounts again into one I should be prepared to go into a statement of some length. But I have no hesitation in saying, that it would be a retrograde movement from light back again into darkness. We have seen in the course of the discussion to-day very clearly and distinctly what has been the practical result of a blended account, and what would have been the beneficial protection to be derived from the present separated form of account had it been established much earlier than it was. The objections to returning to the blended account are perfectly distinct and obvious. First of all, it completely suppresses all knowledge of the banking reserve, and therefore renders the account necessarily incomplete in a most important particular, and is therefore calculated to deceive, and not to instruct. Secondly, it affords facility (and that is the real object of proposing the blended account) for again issuing notes not in correspondence with the fluctuations of the bullion; in other words, I mean again plunging us in the evils of 1783, of 1797, of 1825, of 1837, and of 1839, and choosing that as a state of things preferable for the interests of this country to that which we have enjoyed for the last two years.

4200. Do you consider that the great objection would be, that it would conceal from the public the knowledge of the state of the banking reserve, and would not therefore give that timely warning to the public, as well as to the Directors, which you think should induce them to contract their issues, or to take measures for preventing the exhaustion of their bullion?—I think that it is calculated directly to throw the public mind into a state of perfect confusion upon the question of their monetary system; that it can lead to nothing but the most dangerous

gerous and deceptive results; that it would facilitate, during a drain of bullion, the reissue of paper notes, thus keeping the aggregate money of the country undiminished, and therefore depreciated, until the whole of the bullion is banished from the country, or nearly so; and, to put it shortly, that it is calculated to restore us to the condition and subject us to all the calamities which we experienced before 1844, and of the possible extent of which calamities I have given to the Committee a practical illustration, in the condition of the monetary system of the United States in 1837.

4201. Mr. *Gladstone*.] You have given your opinion strongly with regard to the permanence of the provisions of the Act of 1844; is the Committee to receive that as a general opinion, having reference to the essential principles of the Act, as you have explained them, or is the Committee to understand that you likewise think that the particular enactments admit of no change in the sense, either of development or otherwise?—The question to which I was replying had reference, as I understood it, to an intimation which had come before the Committee, that the Act of 1844 had been passed by Sir Robert Peel, intending it to last for 10 years, and no longer. My reply was, that that was completely contradictory to the terms of the Act, and to the explanation of the meaning of those terms, as derived from the correspondence between the Treasury and the Bank of England upon which the Act was founded; I meant that Sir Robert Peel, in passing that Act, passed it as an Act which he hoped, and fully believed, would satisfy public expectation, and to such a degree, that it might be permitted to continue as a permanent measure for the regulation of our monetary system. But, at the same time, knowing that when such an Act was for the first time applied it might be open to imperfections and defects, of one kind or the other, in its details, to be ascertained only by experience, that it was wise to retain a power of revising it after a sufficient period had elapsed to have learned the results of experience, and, retaining that power, to retain it in such a form that it would not be used except under a strong sense of the necessity of applying it to its legitimate purpose, the correction of details, the imperfection of which was ascertained by experience, and, at the same time, not to encourage unnecessary discussions, which he believed to be very prejudicial to the public interests, upon the general questions of currency and of banking.

4202. Therefore it would not be inconsistent, if I understood you rightly, with the views which you have expressed, that changes in the particular terms of the Act might be proposed, in conformity with the spirit in which the Act itself was framed, and with the view of giving a more complete or more satisfactory effect to its principles?—Undoubtedly, modifications in the details of the Act, calculated to carry out more efficiently, and in a more simple manner, its great and main principle, are perfectly consistent with the view which I take, that the Act essentially was intended to be of a permanent character.

4203. With respect to those particular provisions of the Act which relate to the private issues of the country bankers, would you be disposed to say that they carried with them the aspect of finality?—I have been examined at considerable length upon the subject of those country issues; I do not think that they do; I have stated, throughout my evidence, that I think that the whole state of the country issues is very anomalous, and that some very serious objections may still be offered to them; that I believe it to have been the view of Sir Robert Peel, that, as a matter of practical policy, having placed an effectual limitation to their amount, it was better to leave them to be absorbed by the gradual process of natural causes than to adopt any direct operation for that purpose; and I rather concurred in that view, not, however, to such an extent, but that if a measure for the extinction at once of the country issues, of a tolerably practical character, could be devised, I should be glad to see it.

4204. *Chairman*.] When you say that an opinion has been intimated to this Committee that Sir Robert Peel's Act was intended to be temporary, do you refer to question and answer 913?—I certainly have been given to understand that the question has been put by this Committee, I believe almost verbatim in this form: "The Act of 1844 was passed I believe to last for 10 years and no longer."

4205. The question is put by Mr. Wilson to Mr. Weguelin, and it is as follows:—"Sir Robert Peel, I think, contemplated that the Act of 1844 should last for 10 years, and no more?" Mr. Weguelin's answer is, "He thought that by that time the country circulation would be so diminished, that it would be

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possible to deal with the remainder by legislative enactment." Is not the meaning of the question and answer this, that Sir Robert Peel contemplated that this Act should not be a final one, but that it should receive further development and extension in the direction of the policy of the Act at the end of 10 years. Do you not understand that to be the meaning of the question, and of the answer?—I certainly understand that to be the meaning of the answer. I do not understand that to be the meaning of the question. I do not conceive that the question was shaped with any view of recommending or suggesting the further development and extension of the policy of the Act.

4206. Then what do you understand to be the meaning of the question?—I understand that question to be an endeavour to introduce to this Committee an impression that that Act was intended, in the very words of the question, by Sir Robert Peel in passing it to be an Act to last for 10 years and no longer.

4207. Do you think that it was intended to intimate to the Committee an opinion that the Act was to be simply repeated at the end of 10 years, and that nothing was to be substituted for it?—It is a very awkward thing to ask me what is the interpretation to be put upon another man's question. I can only say that when I read that question, it produced upon my mind a feeling of great astonishment.

4208. If it created so much astonishment, might it not have induced you to doubt whether that was the correct meaning of the question?—It seemed to me that the question was so distinct that it precluded the possibility of doubt.

4209. At all events, it was not understood in that sense by the witness who answered it?—I must refer to the witness upon that subject.

4210. Does not the answer clearly show that he understood the question to mean that it was intended to introduce further legislative enactment at the end of the 10 years?—I really think that it is not necessary to press me further upon that subject. I have stated that when I read that question, it produced upon my mind, especially reading it at the end of the whole of that day's examination, a feeling of very great and painful surprise; and when I read the answer the impression made upon me was, that the witness was so struck by the monstrous character of the question that he put upon it a limited interpretation, which was an exceedingly good mode of getting rid of the difficulty before him.

4211. Does not the monstrous character of the question depend upon the assumption that it means that the Act should simply be repealed at the end of the 10 years, and nothing substituted for it?—It certainly depends upon the assumption that the purport of that question was to produce an impression that there was something in that Act by the intention of Sir Robert Peel in passing it, showing that the Act was to last for 10 years, and no longer.

4212. And that when it ceased to be in existence, no other Act of a similar character, carrying into effect an identical policy, should be substituted for it?—I go no further than the words of the question.

4213. Mr. *Hildyard.*] Your Lordship stated that there were several Acts which had been passed for a limited period, but which nevertheless it was clearly contemplated should be continued when the end of that period arrived, and you cited the Mutiny Act. Are you prepared to tell the Committee that you think there is the slightest analogy between the fact that we pass the Mutiny Act merely for a year, and the fact that the Bank Act was passed for 10 years?—No; I said distinctly that it was a very different case. The Mutiny Act does expire by virtue of its own terms at the end of a year; the Act of 1844 is, by virtue of its own terms, ever enduring. It simply contains a clause which enables the Legislature, upon giving a certain notice, to bring it under revision; but unless the Legislature originates that notice, the Act of 1844 is permanent.

4214. Is it not notorious that the reason why we pass the Mutiny Act for only one year is an old jealousy (whether now a well-founded one or not we need not inquire), that it is necessary for political reasons to have that Act annually renewed?—No doubt it is perfectly notorious.

4215. Will you cite any other instance where we pass an Act for only a limited period, contemplating nevertheless, as a matter of course, its re-enactment?—I am not prepared to cite any other case; but I believe there will be no difficulty in doing so; there are a great many cases. But the thing does not bear upon this question, because this is not an Act terminating at a definite period.

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4216. If I understood you in the opinion which you stated of the Under Secretary of the Treasury in America with respect to the free banking system, he concluded by saying that the system now adopted of having security and a portion of bullion is defective, because there is not bullion kept in reserve to meet the whole amount of issues; did I rightly understand that?—I will read any passage of the paper which is required.

4217. It is just the concluding sentence. Did I rightly understand you, in reading the end of that question, to read the opinion of the Under Secretary of the Treasury, that there ought to be bullion to the extent of the whole number of notes issued?—I do not understand that the Under Secretary of the Treasury of the United States, in the document which I have read, intimated any opinion that there ought to be an amount of bullion always in itself equal to the total amount of notes out.

4218. Will you oblige me by reading the last sentence of that paper?—"In a circulating medium we want something more than 'ultimate security;' we want also 'immediate' security; we want security that is good to-day, and will be good to-morrow and the next day, and for ever thereafter. This security is found in gold and silver, and in these only."

4219. Do you concur in that opinion?—Yes, I concur in that opinion entirely.

4220. The Bank Act does not provide that there shall be gold and silver to meet the amount of notes in circulation?—The Act of 1844 provides that there shall be gold and silver sufficient to meet any quantity of notes that the condition of the country will permit to come in, in exchange for gold and silver.

4221. The Bank Act makes no provision for meeting any portion of the country circulation by gold and silver, with the exception of that which is issued in excess of the authorised issue, does it?—We shall revive a discussion which has already occupied a large portion of the time of this Committee. The provisions of the Act of 1844 have reference to the protection generally of the monetary system of this country, meaning thereby to preserve an adequate amount of bullion against any action which can come upon it through the exchanges. An action through internal panic is one which it does not pretend to deal with, and that I have already stated. The only security against internal demand must consist in the retention, under any state of the exchanges, of an amount of bullion sufficient to meet that demand. The peculiar merit of the Act of 1844 consists in the fact that under its provisions a large amount of bullion will always be retained to meet internal demands.

4222. As regards the English circulation, does the Bank Act make any provision whatever that there shall be bullion forthcoming to meet any portion of the country circulation?—I cannot answer questions by simply saying that is the fact, or that is not the fact, because it is quite necessary to explain these facts. You may state that such is the fact, and leave a very false impression and inference derivable therefrom. The bullion in the Issue Department is a store of bullion, for the purpose of meeting any demand of Bank of England notes which can come against it, for the purposes of meeting and dealing with a pressure in the foreign exchanges. Country bank notes have no power whatever of demanding bullion out of the Issue Department.

4223. Did I rightly understand you to say, that you thought in defence of the Act of 1844 you might appeal to the state of this country, and say, here is its prosperity, as the result of that Act, and that that was a triumphant argument?—Not quite in that form. My first appeal was this, that the Act of 1844 has accomplished that which was its great and direct object, namely, the protection of the bullion reserve against any drain which should bring it down below a safe and convenient amount; and secondly, that it has accomplished those results by means which have not only been not inconsistent with the development of public prosperity, but which have in my judgment had a considerable connexion with that development.

4224. I understood you to say that if we wanted a vindication of the principles of that Act, we had only to look at the prosperity of the country; those were your words, were not they, or nearly so?—Not of the principles, but of the results.

4225. Might not the miserable American circulation which you have brought under our notice, be defended by a similar argument; might not the advocate for that system say, Look at the prosperity of America, and is not that proof of the good results of our system of circulation?—Then you have omitted the first part

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part of my argument, that the Act had been efficient in preserving the bullion from an undue and inconvenient exhaustion. Now, in the early part of my evidence I quoted the authority of Mr. Webster, to show that under the provisions of the American system the gold had been entirely banished from the country.

4226. If we are to support the Act of 1844 by appealing to the prosperity and industrial development of this country, might not any one who advocated the American system make the same appeal, and with just as true a logical accuracy?—No; I think it would be as illogical as a thing could possibly be. My defence of the Act of 1844 (I am sorry to repeat it so often) is this: First, that it has accomplished its great end and object; namely, the preservation in this country of an amount of bullion in store, which under even the most trying circumstances is never reduced to a low or inconvenient amount. And secondly, that consistently with that accomplishment of its great purpose it has not interfered with, but in my judgment has materially aided and assisted, the development of national prosperity. Now, that argument cannot be applied by any person with reference to the American system, because he will break down; the first arch of the bridge will let him into the water, and therefore he will never reach the second arch; he will tumble through at the first, because he will never be able to prove that the American system has succeeded in protecting the bullion reserve of that country from entire exhaustion; and that he will not succeed in that is shown by the passage which I have already referred to by Mr. Webster, the best authority that I can possibly refer to, who says distinctly that the gold at that very time was entirely banished from the United States.

4227. Do you deny that the commerce and industry of the United States has developed itself in a most extraordinary manner during the period to which you have drawn our attention?—That the commerce and prosperity of the United States has developed itself in a most extraordinary manner is true, but not during the period to which I referred; that was a period of great national disaster, and that is the whole gist of the question, that the American system of managing the money and the monetary affairs of the country has exposed it to periods of tremendous monetary disaster. No doubt those periods of disaster are overcome, and they again go ahead; but the object of our Act is to prevent the occurrence of those periods of disaster.

4228. You spoke of a most vicious currency in America for a period extending over a great portion of the present century; do you mean to say, that during the whole of that period to which your evidence had reference, there has not been a very great development of the resources of that country?—In the first place, I think you do not state accurately the period to which I referred; I believe that I began with 1820, and ended with 1837; I certainly do not deny that even during that period American prosperity advanced and extended itself, but I do assert that during that period it went through crises and trials and sufferings of such a nature, that if you are prepared to subject this country to similar calamities, I shall be very shy of sharing your responsibility.

4229. But, during the whole of the period from 1838 up to the present time, it has been competent for any bank to be established in New York, and I believe in other states, provided securities are lodged to the extent of 120 per cent. upon the amount of notes issued, and bullion to the extent of 12 per cent.; is that within your knowledge?—It is not within my knowledge.

4230. Will you be kind enough to look at that statement of what is called the Free Banking Act, and tell me whether I have rightly described it (*handing a paper to his Lordship*)?—I have stated that it is not within my knowledge that that is the provision of the Act; of course you are as capable of judging of that as I am.

4231. Is it not within your knowledge that the notes which now circulate in the United States are issued upon security, and that any bank may be established which gives the required security, though you state that you are not aware of the amount of it?—I have no positive knowledge as to what is the state of the arrangements at this moment in the United States. My impression is that it differs very materially in the different States. But, undoubtedly, I have a general impression that in some of the important States, banks are allowed to issue notes upon giving security for the payment of those notes, and retaining a certain portion of bullion. I can only say that I adopt entirely the view of the Under Secretary

Secretary of the Treasury of the United States, that that is a much better arrangement than any one of the others which had been previously tried, but that still it is a very defective arrangement.

4232. That defective state of circulation having existed since 1838, I ask, do you deny that since 1838 there has been an enormous development of the industrial resources and commerce of America?—No, I do not deny it at all.

4233. Then might we not, according to your own reasoning, appeal to that prosperity as a proof that the banking system was a good one, with as much justice as you have appealed to the state of prosperity in England, and ascribed it to the Banking Act of 1844?—I do not think that the arguments are logically parallel to each other. I really do not think it is necessary to go over the thing again.

4234. Mr. *Spooner.*] There are two points which have arisen, upon which I very much wish to have your opinion. You have just stated that you thought that this country was in a very great state of prosperity?—Yes.

4235. Has your Lordship inquired at all into the condition in which the small traders and the retail dealers are situated now in all the great manufacturing districts, in consequence of the great difficulty which they have in obtaining any sort of discounts for their paper?—No; I cannot say that I am conversant with that fact. I only speak generally; there will be, in a country like this, as a consequence of the great activity of competition of all kinds, and the great progress which is going on, some classes who are more or less in difficulty. The fact is, that all great progress and all great improvements necessarily involves that. In the transition of prosperity from one form to another form, there must be some classes always distanced in the competition. A perfectly quiescent state of all the great classes of the community will be found very far indeed from a state which indicates great national progress.

4236. Your Lordship is not aware that there is in the class to which I have alluded, at the present moment, great complaints both of a want of the means of carrying on their business, and likewise as to the profits attached to that business?—That there is now a much greater demand for capital than there was some years ago is an undoubted fact, with respect to which we have had a great deal of discussion in this room; and when there is a great pressure for adequate capital to carry on the business of the country, some classes will feel that pressure more severely than others. One cannot suppose that the trade of this country is to be tripled in the course of a very short time without some classes or other being severely pinched to find capital for carrying on their business.

4237. Your Lordship has likewise stated that you think that the great crisis of 1797, when the Bank was compelled to stop payment, was owing chiefly to the conduct of the Bank itself, in not sufficiently contracting its paper issues as gold went out of the country?—I have rested that rather upon the authority of Mr. Tooke than upon my own authority. I accompanied the quotation of Mr. Tooke's opinion upon the subject with the observation that, undoubtedly, political panic and fear of foreign invasion had a considerable share in the circumstances of that period, and that upon that ground a plausible and, perhaps, a sufficient defence of the suspension might be founded.

4238. Is your Lordship aware that an exactly contrary opinion is given by the Secret Committee which sat in 1797, of which Mr. Pitt was a member, as to the Bank not having sufficiently contracted its issues?—I do not now remember what was the case in that respect; the subject was not then so well understood as it is now.

4239. There is the following passage in the Report of that Committee: "Your Committee further observe, that as the Directors of the Bank had, previous to the actual existence of the alarm, lessened the amount of their discounts, so as to have reduced them by the 25th of February one-fourth of the sum at which they stood at the beginning of the present year; and as the restriction of the accommodation afforded by them to individuals produced a similar decrease in the amount of discounts by private bankers, the joint effect of this diminished accommodation to the public at a time when the circumstances above mentioned, and others to be hereafter adverted to, seemed to require an increase of it, must necessarily have been an additional embarrassment in commercial and pecuniary transactions, tending to increase the demand for cash on the Bank?"—In that passage there is an allusion to the contraction of discounts, but no positive allusion to an absolute contraction of paper money, and the contraction of dis-

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counts, it is stated, stimulated the demand for cash; a very natural result. But then it goes on to observe that the peculiar circumstances of the time required an increase, not a contraction of accommodation to the public. This directs our attention to the conflicting difficulties of that period to which I have already alluded. Restriction was requisite to preserve the power of paying the notes in gold; extended accommodation was deemed to be necessary to relieve the alarm which the fear of invasion and other circumstances had generated. There is no doubt that monetary phenomena were not then so clearly understood as they are now; and I could not quote a passage more illustrative of that fact than the one which you have read. There is there no distinction between a demand arising from foreign exchanges and a demand arising from internal panic and alarm, which are two totally different things; and a person mixing up those two different considerations, and looking at the joint result, without separating the causes producing it, will never form a clear view of the subject; and that was the state of the public mind even of the most intelligent persons at that period. The phenomena of that period first led us to understand this subject, by analysing them into their component principles. A contraction of your paper money will check and correct the demand through the foreign exchanges, but it will not check or correct the demand for internal purposes.

4240. Mr. *Vance.*] Your Lordship spoke of the monetary crisis of 1837, and of the way in which it worked in America; are you aware that it was a good deal aggravated there by the operations of some of the English houses who opened discount establishments there, and charged a high rate of interest, they getting their own paper in this country discounted at a very low rate?—There were undoubtedly a great number of very strange and complicated transactions going on between this country and the United States at that period; but that will not affect the question. The question is here an absolute increase of the paper issues of the United States from the year 1830 to the year 1837, from 66,000,000 of dollars to 149,000,000 of dollars; the result of that was, that in 1837 not one of the banks issuing that paper was able to pay.

4241. The object of my question was still further to develope your principle; at that time we had not the Act of 1844, and those English houses had unlimited credit in this country for their paper at an exceedingly low rate, I believe 2½ per cent., while they discounted in America at 8 or 10 per cent., consequently draining this country of gold, and producing the crisis which arose?—I do not at all know the accuracy of the facts stated in the question; but if you assume that the price of money in this country was 2½ or 3 per cent., and that the price of money in the United States was 10 per cent., there would of course be a transference of money and capital from this country to the United States; there cannot be a doubt of it.

4242. Mr. *Cayley.*] Assuming that the rate of interest is dependent from century to century on the supply of capital, that in new countries, like the United States, where the accumulation is comparatively small, the rate of interest is, *cæteris paribus*, high; and in old countries, like England and Holland, where the accumulations are large, the rate of interest has a tendency, *cæteris paribus*, to lessen. My question at the last sitting but one applied to short periods, namely, to two to three months, or two or three years; is it your opinion that the rate of discount and interest for such short periods depends for the most part on the supply of capital, or on the supply of money?—The shorter the period of variation the greater the probability is that it has reference to an alteration in the value of money, but that does not necessarily follow.

4243. Does the quantity of capital, do you think, oscillate from month to month to such a degree as to alter its value in the way exhibited of late years in the oscillations in the rate of discount?—The relation between the demand and the supply of capital may undoubtedly fluctuate, even within short periods, very considerably, because the operation of that system is facilitated by the various relations between one country and another to a very great extent; for instance, you may take such a case as this: if France to-morrow put out a notice that she wishes to borrow a very large loan, there is no doubt that it would immediately cause a great alteration in the value of money, that is to say, in the value of capital in this country; it would produce it the very next day.

4244. Are you now referring to France contracting a loan in gold?—I am supposing France to put out a notice to-morrow that she wishes to contract a large loan; the result of that notice would instantaneously be to produce the greatest

greatest effect upon the rate of interest, as indicating the increased value of capital in this country.

4245. How would the borrowing of money in France affect the rate of interest in England, except as the base of the currency in France and in England is the same?—In the first place, you must remember that money is only a means of effecting the interchange; the interchange is really of capital or of commodities. If France announces that she wants suddenly, for any purpose, 30 millions' worth of commodities, there will be a great demand for those commodities; there will be a great demand for capital, to use the more scientific and the simpler term, and that great demand for capital will affect all the principal markets in Europe, and especially in London.

4246. The capital which France would wish to buy with her loan is one thing, and the money with which she buys it is another; is it the money which alters in value or not?—We seem to be reviving the old question, which I think is more fit for the chamber of a student than for this committee-room. The essential thing is the value of capital; money is the instrument through which capital is exchanged between person and person, and between country and country. The first effect, only a temporary and short effect, may be upon the value of money, but no permanent effect can be produced but by some alteration in the relative demand and supply of capital, or by some permanent alteration of the quantity of money; a permanent alteration in the quantity of money can hardly take place, because it will be rectified through the exchanges; therefore the fluctuations in the rate of interest, as dependent upon the quantity of money, will be short in duration, and probably small in amount; but the relation between the demand and supply of capital may undergo a great and permanent alteration, and the fluctuation in the rate of interest dependent upon it will partake of the same character.

4247. If France gives notice for raising a loan, the tendency of that is to withdraw gold from other countries, is it not?—I would rather put it upon the general principle; the tendency of that is to disturb the equilibrium existing between the different countries; there will be a demand for additional capital to go from different countries to France, and the transference of that capital will be through the form of money.

4248. But if it withdraws gold from the Issue Department of the Bank of this country, it then affects the rate of interest of money?—If you diminish by any means whatever the quantity of money in the country, at the time of that diminution the first effect will be an alteration in the rate of interest on account of the diminished quantity of money; that will be an effect of short duration, and, I believe, within very narrow limits.

Nathaniel Alexander, Esq., called in; and Examined.

4249. Mr. *Spooner*.] YOU are the head of the firm, I believe, of Alexander & Co., India Merchants?—Yes.

4250. And you have resided for a considerable time in India?—I have.

4251. You are entirely concerned in the Indian trade?—I am.

4252. Is not that a trade which is carried on upon very long credits, and chiefly in bills?—It is.

4253. Is not the operation of the Bank of England narrowly watched by merchants concerned in that trade?—It is by me, and ought to be by all the merchants.

4254. It is of great importance to them?—Very great.

4255. Did you turn your attention particularly to the Act of 1844 during its passage through the House?—Yes; it struck me that it would have a very material effect on credit generally, and I naturally therefore watched its provisions.

4256. It was chiefly intended, was it not, to secure the convertibility of the Bank note; that was one of its chief objects?—That was the law of the land before that Act was thought of; its object was, I fancy, partly to secure the value of the currency, and partly to check over-speculation, and check over-issue of credit generally.

4257. Do you think that the Act of 1844 has, upon the whole, acted for the benefit of the commercial world, or that it has increased the difficulties of the commercial world?—Perhaps before I answer that question I might say that I have a particular notion with regard to Bank notes, which are made a legal

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tender by an Act of Parliament. I do not think that any bank note ought to be issued, which is a legal tender, without the party issuing it having gold to pay it with; consequently I think, as a general principle, that the Bank of England issuing its own notes under that Act of Parliament should issue every note which it issues on gold.

4258. You do not approve then of that part of the Act of 1844 which enables it to issue notes upon security, and at the same time requires those notes so issued to be payable in gold?—I do not approve of the conjunction of the two separate distinctions of issue under one Act, and with one note to represent it. It strikes me that the weak part of the Bank Act of 1844, and the one which all its advocates have a difficulty in getting over, is that part which allows a portion of the Bank notes to be issued not on gold. When gold goes out of the country it does not deteriorate simply the Bank notes issued against it, but it deteriorates the entire issues of the Bank; it passes all over them. I think that that is a weak point which the Bank of England has to contend with, and I think that if it was possible it ought to be altered.

4259. If I understand you then, you would recommend two sorts of currency, the one payable in gold, and that which is payable in gold to be issued only on gold, and another sort of currency which should be issued on securities, and that that should not be convertible into gold. Is that your view of the matter?—My view is, that with respect to the 14,000,000 *l.* which the Bank of England now issue on securities, the Bank are first and foremost put in a very weak state by it. They are first obliged to give security for the 14,000,000 *l.*, which is a positive security to the public, and besides that they are called upon by the general law of the land to give a contingent security in having gold to pay those notes if it is asked for. Now it is quite clear that the whole of this Bank Act and the whole construction of it, is upon the principle that we have a portion of our circulation of Bank of England notes which has reference to gold and to foreign exchanges, and a very considerable portion which has not. If it is desirable for the general advantage that that portion of the notes which belongs to our home circulation, and which is issued on credit, should become a legal tender by an Act of Parliament, it strikes me that unless the Bank absolutely have gold for them, those notes should not be issued by the Bank themselves, but should be supplied to the Bank by an Act of Parliament, through the Government, and that this should be a conventional issue, separate and distinct from the Bank notes, which have reference to gold and to the exchanges, and that until that is done there always will be that weak point; that when the exchange gets against England and when gold goes out, whatever may be the opinion as to the remainder of the notes not being called on to be convertible, those notes begin in the public mind to lose a portion of their value, and that proceeds from one thing to the other until there is such a contraction of credit that a panic comes on, and that panic is really the action which we have most to deprecate, and which is the cause of the greatest loss.

4260. Then you mean that those notes which are issued upon security should not be convertible into gold?—They should not belong to the Bank of England at all; they should be issued by the Government, and should not be convertible into gold.

4261. With reference to the effect of the Act of 1844, you remember the letter of October 1847?—Yes.

4262. Will you state to the Committee what you think would have been the consequence if the letter issued by the Government had not been issued at the time when it was?—The Bank could not have gone on, unless they had broken the Act. The Bank could certainly not have gone on under the Act.

4263. Can you give the Committee any idea of the loss of property which took place during the time of that great panic before the letter came out?—It was the depreciation of property. There was a paper issued from the House of Lords in 1848, giving the market value of Government Stock and Bank Stocks on the 23d of October 1847, as compared with their market value on the 1st of February 1847, and it shows a depreciation of Government Securities of 93,824,217 *l.*; Dock Shares, 1,094,714 *l.*; Canals, 252,574 *l.*; and Railways, 19,579,820 *l.*

4264. To what do you attribute that great depreciation of property?—To the general contraction of credit.

4265. Do you attribute that contraction of credit to the Act of the Bank of England?—Yes; but the contraction of credit, I consider, was very much more than

than that; because there was a depreciation in the value of all the property in England; every sort of mercantile commodity fell in the same proportion. What I have stated is about 110,000,000 *l.* or 112,000,000 *l.* If you take the fall of other descriptions of property as double that, I think it is the very least. Therefore I should say that between the January and October of 1847 there was a contraction of credit, represented by a fall in prices of 300,000,000 *l.*

4266. Do you attribute that to the necessity in which the Act of 1844 involved the Bank, of contracting its issues to the amount to which it did contract them?—No, I do not attribute it altogether to that; the Bank had no power or influence, in the first instance, over prices; the Bank must follow the merchant; they must follow the markets; and all they can do is by exercising their judgment, and by general rules and regulations to bring down the state of things; to let us down as easily as possible. The only case where I think the Bank may interfere beneficially and exercise their judgment is where panic supervenes. I think that where panic supervenes, it is not from a depreciation in the value of the Bank note. I think that in the panic of 1847 the social value of the Bank note was higher than I ever recollect it.

4267. Did not the panic to which you allude exist during the time of this great depreciation which you have stated to have taken place in 1847?—The panic was the consequence.

4268. Then, what was the cause?—The cause which brought about the panic, of course, was, that we saw a certain point beyond which, if things went on, the Bank of England could not carry on, and of course that induced every one to scramble and get hold of as much as he could. It was not that there was any want of giving credit to the Bank of England, but it was that we could not get hold of their Bank notes. The proof that it was so is, that the instant the Bank got released from the strict rule, and the public were aware that if accommodation was required, the Bank were enabled to give that accommodation which they could not give us under the Act, the panic disappeared, and then things went straight.

4269. I understand you to say that that panic greatly aggravated the depreciation of property; that that panic could not be arrested by the operation of the Bank, but that it was arrested by the operation of the letter issued by the Government?—I should say that the panic commenced strongly about the 1st of October, as far as my recollection serves me; and I think, between the 1st and the 23d of October there must have been an increase in the market of the value of money from 15 to 20 per cent. I think that that gives you the fairest idea of what the effect of the panic was. The simple reason of that panic was, as I said before, no want of confidence in the Bank, but solely the knowledge that the Bank, acting under these strict rules, could not issue any notes to fill up the void, which we required to be filled up in some way or other; but the instant the public discovered that the Bank were relieved from that portion of the rules of the Bank Act the panic subsided. Men who previously held their Bank notes and would not part with them, brought them into the market; discounts immediately fell, men could get money for their transactions, and there was end of the whole thing.

4270. Can you suggest to the Committee any way in which the recurrence of such an event as you have described could be prevented?—I have a very strong feeling that the position of the Bank of England would be very much strengthened, and that they would be able to give more efficient aid to the Government, if a portion of the Bank law was altered, with reference first to the notes issued upon security. I think that there should be notes which, under Act of Parliament, to a certain extent, the Government should, through some officer of theirs, manufacture and hand over to the Bank of England, the Bank giving security as regards their issue. Those notes, I think, ought to be like the notes of the Bank of England, a legal tender; they would be similar to any other description of the Government floating paper; they would be renewable by the Government in payment of every due; they would be notes in which the Bank could make their own payments; because they would be a legal tender, the Bank paying them out to the public, which is not the case at present with the Bank note; and it appears to me that the position of the Bank would be then very much improved, they having those notes, and being able to exercise, which, no doubt they would, their own judgment and knowledge as to the times at which they would allow those notes to go into circulation, or restrain them, and keep them as their reserves. Instead of having

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having a mere ideal paper which is issued on security, but which is never to be asked for in gold, you would have the Bank of England issuing every one of their notes upon gold, gold would be there. If every note came in the Bank of England would still have this Government paper to issue to the public, and we should find it equally acceptable to us, because in easy times we should have no difficulty with the Bank; the Bank would always be glad to exchange their notes and give us gold for them, if we wanted it, and I think it would enable the Bank in such times as occurred in October 1847 to arrest the panic; it would give them great strength; people would think that they would not be driven to the wall as we all saw that they were drifting, in October 1847, and that nothing could save them; we saw that their reserves had come down to under 2,000,000 *l.* We saw that at the very same time the deposits were at about 15,000,000 *l.*; and from the manufacturing district we all knew that if it went on two or three days longer, the Bank of England would be called upon for 2,000,000 *l.* or 3,000,000 *l.* of notes to be circulated in the country, and would not be able to pay them. A great establishment like the Bank of England ought never to be put in that condition, and it is for the benefit of the public that they should never be so.

4271. Then with the 14,500,000 *l.* upon which now the Bank issue convertible notes, if they were trusted to that, or perhaps a larger amount, but a limited amount, to issue inconvertible notes in an emergency, you have that confidence in the discretion of those merchants who would conduct the business of the Bank, that you think they might safely be entrusted with that power without any danger whatever to the convertibility of their own Bank note?—I do not propose that the Bank of England should have the power of that issue, but that the Government should have an officer there whose duty it should be to make that issue, and that the Bank of England should receive those notes from the Government in return for their securities, and that those notes would be a legal tender when paid out y the Bank.

4272. But you would leave to the discretion of the Bank when they would apply for those notes from the Government upon the deposit of those securities? —Certainly.

4273. And from your experience as a commercial man, you have perfect confidence in the discretion of the Bank?—Perfect; they have been my bankers for many years, and I have perfect confidence in their discretion; I believe that the arrangements under the Act of 1844 with reference to gold answer the purpose well, and that they are acceptable; the Bank Directors themselves like them, and I should be very much disposed to take their opinion as to everything connected with the exchanges in gold. But when I come to that portion which has reference to credit, then I find that the shoe pinches myself; then I begin to see whether some other arrangement might not be adopted, which giving the public equal security would give the Bank much greater strength, and would in reality, without any change of the basis of the system, make the Bank a much more efficient organ for keeping the state of the money market as nearly equable as possible, because that is one of the great objects. Of course our primary object in the Bank of England is to have a great deposit of the gold of the country, but there should be another great object, namely, that the Bank should exercise its judgment, and keep the interest as nearly equable as possible, because it makes a great difference to merchants where they begin a transaction at one rate of interest, and end it at another, particularly when we have to go a long way, such as to India, for these transactions.

4274. Then it is your opinion that if the public had known in 1847 that the Bank had the means of issuing inconvertible paper upon securities, the great demand which took place for Bank notes would not then have taken place? —I believe not.

4275. Is it not within your knowledge that almost every banker, and every merchant, and every one who had liabilities upon demand, vastly increased their own deposits, fearing that they would not be able to get Bank notes if the law of 1844 was not in some way relaxed?—I can only look at the returns of the Bank themselves, and my recollection is, that in October 1847 the deposits in the Bank were particularly large.

4276. And those deposits were made by persons who wished to have their money at their command?—Who wished to have their money under their control; they were influenced by panic, and they would not let go their money, either for loans

loans or short discounts, which is usually the case with merchants who have an extra sum of money.

4277. You are aware that before the Act of 1822 the Bank had not the power of lending money upon securities, or upon mortgages or public buildings?—I forget now; but I think that about that time the Bank, by Act, was allowed to lend money upon landed security.

4278. Do you think that that is a proper way for a bank to lay out any part of its resources?—I have a very strong opinion that with a great establishment like the Bank of England, which is of the greatest importance to the whole community, the Government ought not to place the Bank in their present position by a very stringent Act of Parliament, and then not to prevent them from locking up their capital in long loans, perhaps in very easy times, which when the times alter, may hinder the Bank from having the same quantity of capital available, as they would have had if all their transactions had been based upon short loans. Of course the Bank of England, acting for their proprietors, when money is easy will naturally look to the fixing of a certain portion of their capital in loans of two, or three, or four years, which bear a reasonably high rate of interest, to pay their dividends. If a turn comes, and if the Bank are caught with a very large quantity of their capital so invested, it stands to reason that they have but one of two courses; they must either sell out and lose a very large sum to their proprietors, or they hold to the loans, and then they are obliged to raise the rate of interest earlier than they would otherwise have done. Now that is injurious, not only to the private merchant, but it is also injurious, to a certain extent, to the government credit. The position in which you must regard the Bank of England as now placed, is a very different one from what it was in 1844. You have now a large number of great money agencies called Joint Stock Banks, which have started up, and these agencies draw a very large quantity of the floating capital of the country into them, away both from the Bank of England and from the use which it was formerly put to in buying Exchequer bills and upholding the credit of the Government. Therefore, I think that with that before us, the Government and the Bank of England ought to come to some arrangement by which the Bank should agree to keep their whole capital subject only to short transactions, and if by it they made a loss for their proprietors, I think that Parliament ought to repay them that amount, and give them an annual sum for foregoing that particular part of their profits.

4279. Then you do not consider that the Bank of England, in its present situation, ought to regard itself only as dealing for the interest of its proprietors, but that it ought also to take into consideration the interests of the public?—I think that the Legislature should put it in that position.

4280. That is what you think ought to be the state of things?—Yes.

4281. And if the Bank suffers any loss or inconvenience from it, or if it is not sufficiently paid now to enable it to act upon that principle, an arrangement ought to be made, so that it should not suffer loss by acting for the public rather than for its own proprietors?—I think it ought; I think it would be very cheap money paid to the Bank of England, if the Directors would agree to do it, and I think that there is no proof which I can adduce more cogent upon that point than the present state of the value of Exchequer Bills in the market. Owing to these great Joint Stock Banks, which sweep up the whole of the floating capital at high rates of interest, the Exchequer Bills are below par. Now I think that it would be beneficial to the Government, and that it would be beneficial to the general credit of the country and beneficial to the Bank, if an arrangement was made which would place at the disposal of the Bank a portion of their capital to deal with, merely in investing it in Exchequer Bills, because I am satisfied that the credit of every merchant is dependent upon the credit of the Government, and that it is most desirable to see that the credit of the Government should be kept as high as possible, and I think that a payment made to the Bank on the part of the public to do that is well-spent money.

4282. And you believe that any charge to which the public might be put by any such arrangement would be amply compensated by stopping the destructive panics to which, under the Act of 1844, we have been subjected?—I believe so; I think it would strengthen the Bank of England; I think it is fair to them to give them a proper remuneration; it would make them more a public Bank; their whole system then would be a system connected with the control of the public credit; they would be provided against any loss to their proprietors, and

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I think it would work better, upon the whole, although the Bank could not be stronger with regard to its credit, because it is always in first-rate credit, and every one trusts it. The question is never raised about its credit, but its power of assisting in panics, because that is all the Bank can do. The Bank must follow, and every banker must follow, the merchant. You never can make any rules that the Bank shall go to A., B. and C., merchants, and say, "Gentlemen, you must not enter into operations of credit, because we will not assist you." They know nothing about it until the bill is issued, and when it is brought to them to discount it, they say "No."

4283. In 1847, if the state of things had lasted much longer, what would have become of the deposits which were then in the Bank?—The general credit of the country would have collapsed. What the end of that would have been, I do not quite know. My own opinion is, that unless the Bank Directors had taken upon themselves the extreme measure of breaking through the Bank Act, and issuing notes without any authority, or unless the Government had relieved them, they could not have gone on, in the position that things were in, acting under the strict provisions of the Bank Act for one week longer, and then they must have gone to the Government, or if the Government had refused to interfere, there would have been a general stoppage of all credit transactions.

4284. Throughout the country?—Throughout the country of course; and what the end would have been I cannot tell.

4285. In your experience as a merchant, you never knew any demand upon the Bank arising from a desire to get gold, but only to get Bank notes to carry on the commercial transactions of the country?—When gold is wanted it is not from any fear of the Bank. Formerly it was merely to adjust the exchanges; in late years gold has become a substantive article of speculation like indigo, or silk, or anything else If my correspondent at Vienna or Paris gives me a certain price for putting down gold, then I go to the Bank of England with notes and say, Gentlemen, give me gold, and I do not care what state the exchanges are in, because I take care to get a profit which will pay the difference of the exchanges, and give me something over. There is no want of credit on the part of the public in taking away gold from the Bank on an occasion of that kind.

4286. If that demand went to such an extent as to compel the Bank, as it would under the Act of 1844, to restrict its issues, that would create a panic?—It did in 1847.

4287. And the plan which you propose would then come into action against the panic; and in the course of a very short time the circumstances of commercial transactions would go back to their former position?—I think it would put the Bank in a much stronger position to arrest the panic.

4288. And in a short time would the gold come back again?—Yes. Every man of business in London knew in 1847 that the exchanges were turning, and that in the course of a few days or a few weeks, there would be plenty of gold; that the Bank Act would right itself; it was all coming back. That was one of the great arguments in favour of the Government allowing the Bank to increase its issues; it was said, there is an end of anything like an export of gold; it is coming back to us again.

4289. *Chairman.*] I think that near the beginning of your evidence you expressed an opinion that it was not desirable that the Bank of England should issue any notes except against bullion?—As a general principle, I think that as the Bank of England note is a legal tender, and you force every one to take it, every note issued by the Bank themselves ought to be on bullion; that is my general answer.

4290. Would you make a law requiring that the Bank of England should keep a reserve of bullion equal to its issues of Bank notes?—If I make myself understood, the Bank of England, under the change which I would recommend, would never have any issue at all, except upon gold. The Bank of England note would be a distinct note from the Government note which I propose, that under security the Government should supply to the Bank; that would be a different paper altogether; there would not be a common note to represent both.

4291. Would you give to the note holders a parmount right to the bullion in the possession of the Bank, and would you prefer their claim to that of the depositors in the Bank?—If a note such as I have proposed was in existence, it would be a legal tender on the part of the Bank as well as on the part of others;

others; it would be a legal tender from the Bank to the public, and therefore the Bank could always right themselves against persons sending in that particular form of note and demanding gold on it, because the Bank would have a right to pay back those notes again to the public as they sent them in.

4292. Supposing that a noteholder went to the Bank and presented a note for payment, would you not require the Bank to pay him in bullion, and not to pay him by issuing another note?—Are you speaking of the Bank of England note?

4293. The Bank of England note?—If the Bank of England issued their own notes only upon gold, and issued the rest of their issues on these notes which I propose, the Bank of England would always, excepting in a state of most extraordinary panic, have more gold in their coffers from their general transactions, and more securities than their own supply of notes required them to have; they would have a surplus over.

4294. What legal right would you give to the noteholder; would you give him a right to claim payment of his note in gold in priority to any depositor?—I would give every man who brought a Bank of England note, distinguishing it from the other, and who asked for gold, the right of taking it in gold; then you would have a number of depositors who would send in very likely a portion of their deposits in one note, and a portion in another; that portion which would come in in the Government notes, the Bank of England would have a right, if they pleased, to pay back in the Government notes, because it would be a legal tender paying them out, as much as the Bank of England note is now a legal tender from one man to another; therefore they exercising their judgment and discretion would never, I apprehend, be put in the position that 12,000,000 *l.* or 15,000,000 *l.* of deposits might arise, and might all be asked for in gold.

4295. Then you would empower the Government to issue a certain portion of notes?—I should alter the system which now exists of a certain quantity of securities being put into the Issue Department, and a certain number of Bank notes being issued which are precisely the same without any distinction, whether they are issued on gold or on securities; I would propose that the Government should, through some officer of their own, issue to the Bank as they demanded it, a species of paper similar to the Bank note.

4296. Those notes you think ought not to be convertible into gold?—They ought not to be convertible into gold, because gold has nothing to do with their issue.

4297. They would not be payable to bearer?—The Government issuing them would receive them for dues and taxes, and they would form as it were the conventional currency of the country, not having reference to that portion of the Bank note issue which regulates the gold.

4298. Would they be in the form of a promise to pay?—They would be in the form of a promise to receive; the Government would issue them and agree to receive them back in payment of their dues.

4299. Then they would be inconvertible upon presentment; but the Government would receive them in discharge of the obligations of the public?—Yes.

4300. Would you propose that there should be any limit placed upon the amount of such notes?—Decidedly.

4301. What would that limit be?—The limit which I should propose would be a limit which I think would be sufficient, and taking into consideration the operation of the times and the increase of credit transactions in the country, that limit I should place now at 20,000,000 *l.*

4302. Would the practical effect of the measure which you propose be to convert the present credit issues of the Bank, which are now 14,500,000 *l.*, into issues of inconvertible paper by the Government to the extent of 20,000,000 *l.*?—That would be the extent; but I do not suppose that they would ever reach that. I would give them the power of doing it. For instance, it would apply to a case like that which occurred in October, 1847, when the Government were obliged to take the matter upon themselves; they gave an authority to issue notes.

4303. Why do you propose that the new notes should be receivable in payment of taxes; is not that a species of convertibility?—It is the species of convertibility which would make them current for our home transactions, and make them in the sight of the public acceptable, equally with the Bank of England notes convertible into gold.

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4304. You think that they would not be current if they were not received in payment of taxes?—Not if they were inconvertible.

4305. If they were strictly inconvertible; that is to say, if they were not payable in gold, and if they were not receivable in payment of taxes, you think that they would not circulate?—No, they would not do at all.

4306. Then your view seems to be that a strictly inconvertible paper would not acquire currency?—No.

4307. But you think that that amount of convertibility which is implied in receivability in payment of taxes, would be sufficient to give currency to the paper?—It would be sufficient for our social exchanges.

4308. Do you think that that imperfectly convertible paper would circulate at the same value as the Bank notes of the Bank which are payable to bearer on demand?—I think that the Bank exercising a judgment in the issues, which no doubt they would do, would not throw the paper all of a moment on the public; they would gradually reduce the one and increase the other. My belief is, that there would be no distinction made whatever among the mercantile community in the two papers, because I am quite satisfied of this, that the Bank of England never would drive the mercantile community to the wall, even taking their rights. If I, dealing with the Bank as I do, were to take in a certain quantity of those notes and say, "Gentlemen, I have gold to send abroad," in ordinary times I have no doubt the Bank would give me that gold, although they would have the power by law of refusing it. I think that the Bank would exercise their judgment, and as regards our social monetary system in England, unconnected with the exchanges, I see no reason for doubting that those notes would answer the purpose.

4309. What course would you recommend with respect to the issues of the country banks?—I would not interfere with them at all.

4310. First with regard to the country banks of England?—Unless you made country bank notes a legal tender, I think you had better leave them alone. I have a right when I go into a country part of England, to do with a banker's notes exactly what I may do with a bill of exchange; if I do not like it, I refuse it. If you interfere with the country bankers and if you insist upon their giving you security, I do not see how in common fairness you can refuse making their notes a legal tender.

4311. You would prohibit the Bank of England from issuing any note excepting against bullion?—I would.

4312. But yet you would allow the country bankers to issue notes not against bullion, and without giving any security?—I do not ask any man, nor does the Legislature ask any man, to take any one of those country bank notes if he does not like it. You force us to take the Bank of England notes, and therefore you ought to provide for their convertibility in gold; you do not force us to take a merchant's acceptance, you do not ask the merchants to provide convertibility, and I look upon a country bank note and a merchant's acceptance as exactly the same. You have by this Bank Act of 1844 put a limit to the circulation of country notes, and have, I fancy, owing to that, thrown the circulation of the country a great deal more on the Bank of England notes and the gold than formerly existed, and so far as I know, but I do not speak with any certain knowledge upon the subject, being merely a London man, I think on the whole the thing seems to act well.

4313. Then, do you approve of the regulations of the present Act with respect to the issues of country banks in England?—I would leave the present Act as it is with regard to the country issues; with regard to that portion of the machinery which acts upon the exchanges, the simple addition or alteration which I should make would be, that I would not force the Bank to find gold for 14,000,000 *l.* of notes which you force them to find security for; I think it is unfair to them to require the contingency of gold, and I think it is a weakness for them that it should be so, because it is known to every one that the gold is not generally forthcoming; and although people may argue that 14,000,000 *l.* of notes never can come in, still in hard times, and when people are coming to a panic, it induces a sort of feeling that the Bank may be brought to a stand still by it.

4314. Would you propose to make any alteration in the present law with respect to the issues of country banks in Ireland and Scotland?—I cannot speak to the banks in Ireland and Scotland; I do not understand the question with regard to them.

4315. You

4315. You are not aware of any reason for an alteration in the law in those two countries?—I am not.

4316. Are you aware that 1 *l.* notes circulate in Scotland and Ireland?—Yes.

4317. Do you see any objection to their circulation?—I see no objection whatever to the Bank of England circulating them if they circulate them on gold; on the contrary, I think that if the entire issues of the Bank of England were on gold, and nothing but gold, it would be a great advantage to have 1 *l.* notes of the Bank of England. The reason why they were objectionable was that they were not issued upon gold, but on credit.

4318. Do you say that the reason why you would allow country banks to issue notes without giving security and not against bullion, and why you would prohibit the Bank of England from issuing any notes except against bullion, is that the Bank of England notes are a legal tender, whereas country bank notes are not a legal tender; is that a correct description of your view?—Quite so.

4319. Would you give to the Bank of England the same privilege which you concede to the country banks, namely, of issuing Bank notes which should not be a legal tender, not against bullion?—If I was only exercising my own opinion and judgment I should not be the least afraid of doing it, because I am quite satisfied that the Bank of England if they had that power would exercise it with the greatest discretion; but the Directors of the Bank of England themselves desire this Act to be upheld as far as they are concerned, and I certainly am very much guided by what their feeling is. I think that they have a greater knowledge than I have, and I think that their experience of business, and of banking business in particular, would make me defer my opinion very much to theirs. I should not be the least afraid of giving the Bank of England, as now constituted, that power; but the Legislature does not think it wise, the nation does not think it wise, the Bank Directors themselves do not think it wise, and therefore it comes to a mere theory on my part. I do not object at all to the position in which the Bank of England are placed now by the Act; I only want to strengthen them.

4320. Mr. *Cayley*.] Is there a general feeling in favour of the views which you now entertain, or are they more particularly your own?—I have never myself had time or inclination to read up this question, and I have had very little opportunity of talking to others upon it, therefore what I tell you is just what my own experience dictates to me.

4321. Is it a plan suggesting itself to your own mind from an experience of the inconveniences arising out of the Act of 1844?—Yes; partly that, and partly that I think that the change would be beneficial to the Bank of England.

4322. Do you think that the public generally are satisfied with the operation of the Act of 1844?—The Act is nothing, except when a hard pressure comes on. We are all satisfied with the manner in which the Bank act in easy times. It is only when there is a period of pressure, such as we had in October 1847, that the question arises whether the Bank Act is sufficient to carry us through that or not.

4323. When there is plenty of bullion in the Issue Department, the commercial public are pretty easy; is that so?—Of course the greater power the Bank have of giving accommodation, I may say generally the more satisfied we are.

4324. But that power depends upon the circumstance of bullion being in the Issue Department?—It does.

4325. What has been the state of the commercial mind, as regards the rate of interest, for the last year or two?—They have thought it very high, of course.

4326. Have they been inconvenienced by the frequency of alteration in the rate?—It is, as a matter of course, always an inconvenience in business beginning a transaction at one rate of interest, and settling it at another; the more equable the rate of interest is, the better for merchants generally.

4327. But so long as the base of the currency is gold, and that gold is perpetually liable to fluctuation by this Act, the equableness of the rate of interest is an impossibility, is it not?—It depends upon a great number of circumstances; it depends upon the demand for money and the state of commerce; you must bring a great many considerations into it.

4328. The demand for money being in the ordinary state, if the bullion is withdrawn, the Bank must be reduced to more stringent operations, and the rate of interest will rise in proportion?—Yes.

 4329. That

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4329. That is dependent upon the absence or the presence of gold?—No doubt.

4330. What do you consider to have been the state of the profits of trade in the last two years?—In a great country like England there is always a large quantity of profit made, and a certain quantity of loss, and we must every now and then set one against the other, and the balance is carried on as national profit; then we go on again. In my own business at the present moment, if I lay out 6*s.* in Manchester, I get 5*s.* back in India; if I lay out 6*s.* in India, I get 5*s.* back in London; that is the state of my trade at the present moment.

4331. That is an unprofitable trade?—The consequence is, that I am at a stand still at the present moment in my own business.

4332. According to your own experience, the state of trade is not profitable just now?—That applies to my own particular branch of trade. We have had a long run of business, and it goes on progressively increasing until profits decrease; it is the counterpart of your exchange when bullion is going out; we are forced by losses into a healthy state of things.

4333. Can you speak as to any other trade than your own?—No.

4334. Can you give any information to the Committee upon the subject of the drain of silver to the East?—Yes; the Chinese war has been the cause of it partly, and partly the enormous amount required for silk in the last two seasons, owing to the great loss of the silk-worm on the continent; and it has arisen, thirdly, from the indisposition on the part of the East India Company to draw for their expenses here, because they have a great deal of money from the railroad proprietors. All these things put together oblige the merchants to lay down silver, having no other means so profitable for carrying on the transactions of bringing home the quantity of silk they do, and other things. The war with China has put an end, to a very great extent, to the power of selling manufactured goods; at the same moment the home shipments have risen from about 5,000,000 *l.* to about 14,000,000 *l.* There is no way of making up that difference except by sending bullion out; that accounts for a good deal of it.

4335. Do you see any prospect of this drain being stayed?—It will depend very much on the out-turn of the coming silk crop in Italy and France. If that is a good one, I think the export of bullion will cease.

4336. In spite of the war with China?—In spite of the war with China. The war with China is provided for by the East India Company probably in a different way; they send bullion out of their own treasury, and principally stores and things are sent by them; the great drain is for commercial purposes.

4337. Is the drain for China or for India?—The way in which a drain goes to India is this: You send the silver to India, and you buy opium with a great deal of it; all which goes on to China to lay down funds for the purchase of the silk; and the state of the markets in India makes it a more profitable investment for the merchant to lay down silver than to send piece goods or British manufactures; therefore, he sends silver, and with that silver he buys opium; that opium goes on and is sold in China, and with the proceeds of it he buys his silk.

4338. In order to obtain the silver, has there not been a great drain from France?—Yes, very large.

4339. Is there still a drain going on from France?—The shipments of bullion are still going on; I think the last two vessels took out nearly 1,000,000 *l.* each. I think that in the last four months 5,000,000 *l.* of silver must have gone out to India and China.

4340. Mr. *Hildyard.*] When you spoke of the Chinese war, did you mean the civil war in China?—Yes.

4341. That leads to a great demand of bullion for the payment of the troops, and also for hoarding, does it not?—The civil war in China has put an end to the power of the sale of piece goods and of British manufactures which were formerly sent out to be exchanged for tea and silk. There are gangs of robbers, and the parties cannot carry the goods; they are robbed and murdered. The consequence is that they take silver, because they can hide and bury the silver for a time, and they exchange their silk and tea for that when they will not exchange them for other commodities.

4342. The falling off in the exports to China, you think, is not comparable to the enormous amount of specie which has been attracted there?—No. Within the very last few years we used to import only 5,000 bales of silk; this year we have

have the prospect of importing very nearly 100,000 bales, with a much higher price for silk; so that we shall have at least 10,000,000 *l.* worth of silk coming home which we have paid for in silver.

4343. If we did not import that silk from China, should we not take it from Europe?—No. A great deal of that, I think, is to provide France with silk. We bring in the raw material as merchants, and we make a profit again; it is a profitable transaction.

4344. But the failure of the silk crop in France has, I imagine, diminished the export which might otherwise have taken place, of bullion to France, to pay for it, has it not?—Yes, it has gone the other way. Instead of bringing in silk from France and Italy, we are sending it there in large quantities, both from Bengal and from China.

4345. In 1853, I think, we had 20,000,000 *l.* of bullion in the Bank of England, and the Bank of France had, I think, something more, 21,000,000 *l.*, and there has been an enormous amount of bullion produced since that time, and an immense amount of coin; what, in your opinion, has become of that practically; is it absorbed in the circulation of different countries?—I think that in Europe it is hoarded to a very great extent; I think there is a very uncomfortable feeling on the continent of Europe, and a very strong current setting against all the governments there, and I think hoarding is going on to a very great extent.

4346. It is difficult otherwise to account for the disappearance of the coin which we know has been created both in the English mint and in the French mint, and which seems to have disappeared?—Yes. Then there would be another reason why a certain portion might be accounted for: we have had a very much larger trade in grain, and I think that the population of the countries from which that grain comes take a great deal of the payment in gold, and hoard it; but the general answer is, that hoarding is going on on the continent at large.

4347. Do you think that, as the gold has become more abundant, and is less bulky than silver, it has tended to increase the amount of bullion held in hoard, it being in a more convenient shape?—No doubt; that depends upon the security of property; if it is insecure, a man likes to put his property into the smallest size, and that is the reason why, till lately, jewels have fetched a larger price in India and Asia than in Europe, because the easiest way for a man to hide his property was to buy a diamond with it, then gold would come next, and then silver.

4348. You stated, as we have been before told, that the drain was at an end in October 1847, and that the exchanges had turned?—Yes, so I believe.

4349. And in December there was an increase in the bullion of the Bank of England from 8,000,000 *l.* to 12,000,000 *l.*; we have had that in evidence?—Yes, there is no doubt of it.

4350. Assuming that the Bank had not been restrained by the Act of 1844 from using, if required, all the bullion which it had then in its vaults, would there have been any panic whatever?—I think that there would have been no panic, and that the rest would have been tided over without difficulty; I think the panic was what brought us to that state.

4351. By a reserve one would describe an amount of treasure held in store to meet an emergency; is not that the popular description of the term "reserve"?—Yes.

4352. But when the Act of 1844 prohibits positively the use of a large portion of the store of bullion, which is actually in the coffers or vaults of the Bank, does it not practically diminish the amount of the Bank's power to meet any emergency?—If you allow the Bank to issue on credit, it does; but what Lord Overstone said was very true, that you have the reserve in the Issue Department already represented by the notes which are out, and therefore you must come back to my principle that the Bank ought to have a species of note separated altogether from the gold, and I think that the Government should have the power of sanctioning their issuing those to a certain extent; I do not think it should be left to the Bank, but I think the Government should have that power up to a certain point, and then you get rid of that difficulty with reference to having a reserve of gold lying idle in the Bank when it is wanted.

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4353. We have been told that since the Act of 1844 came into operation, the reserve of the Bank of England has been on the average much greater than it had been in a similar previous period of computation, namely, 10 or 12 years. Assuming that you subtract from the actual bullion in the vaults of the Bank, that portion which the Act says shall not be touched under any circumstances, is there any very great difference between the amount of bullion available to meet the demands upon it, and that which existed previously to 1844 for a similar period?—The circumstances are different, because under the present Act you have a certain quantity of notes issued, and know that there is bullion for it; in the other case you did not know whether there was the bullion or not; you did not know what it was issued against.

4354. Are you not by that answer pointing to this result, that when an extremity comes, you set aside your Act, and avail yourself of the bullion which does actually exist, but which the Act says shall not under any circumstances be used?—My answer is, that you are forced when the extremity comes to increase the power of the Bank of issuing on credit.

4355. Practically to rescind the operation of the Act?—As far as that portion goes which restricts the issues to 14,000,000*l.*, and makes the rest in gold, most assuredly; that was the effect in October 1847.

4356. Is not this fallacy committed when we speak of the reserve of the Bank of England being greater since the Act of 1844 than it was for 10 years previously to the Act of 1844, that we are taking into our account a portion of treasure which cannot be used if the Act is obeyed, and which therefore does not practically constitute any power of the Bank to meet the commercial difficulties of the country?—In one view of the case it certainly is so.

4357. Do you believe that the high rate of interest which has prevailed in this country now for some time, has practically checked strictly legitimate trade and enterprise; as a matter of fact, can you express an opinion upon that subject?—I can only speak with regard to the merchants' business which is passing before me. I cannot speak as to the entire credit of the country, but with regard to the operations of commerce, I cannot say that for the last year I have observed that the mere alteration of interest has been a check.

4358. For instance, we know the amount of treasure in the Bank of England, which is increasing now. Assuming that we had had, instead of this fine weather, bad weather, do you believe that the knowledge that the Act of 1844 imposes restrictions which we know are imposed upon the Bank, would have prevented mercantile men from immediately entering into operations for supplying the country with corn; would it have made them timid in doing so?—All prudent men it would.

4359. We should have been prevented, therefore, to that extent, from providing ourselves in time with the produce of other countries to meet the deficiency which we contemplated in our own?—Yes.

4360. Mr. *Hankey*.] I think you said that, in October 1847, the amount of deposits of private individuals in the Bank was unusually large?—What I spoke from was, the return made to the House of Lords; I think it made it 15,000,000*l.* against 14,000,000*l.* in January.

4361. I think you also stated that the public at that time, or about that time, had become in considerable alarm at the position of the Bank of England?—Yes.

4362. Does it not appear to be very extraordinary that at the very moment when the public were beginning to be alarmed as to the possibility of the Bank being in such a position that it could no longer pay in specie, they should place an unusual amount of deposits in that very Bank, when they had plenty of other places in which to put their gold or their securities?—The alarm was not with reference to the credit of the Bank of England; the alarm was with men, whether they could get Bank notes to settle their own transactions with, and that was what brought on the crisis. A question as to the credit of the Bank of England never came into any sane person's ideas at the time; the entire cause of that great pressure in October 1847, in my opinion, was simply the feeling that men did not know where to go for Bank notes to settle their arrangements, and that whatever their general credit was, and whatever their state of property was, they had not the Bank note at the moment when they wanted it; that was the cause of the alarm.

4363. I think you stated that you considered that it would be advantageous

to

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to trade that there should be a somewhat uniform rate of interest?—No; I say that it is desirable in long transactions such as I am engaged in, if possible, that the rate of interest with which I commence my operation shall be the rate I settle it with; if there are variations, it certainly may sometimes be favourable to me, but on the other side it is unfavourable, and I always consider that a merchant's best position is certainty; therefore, when I make my calculations, I have not only to calculate at what rate my bills can be discounted, but at what rate the bills which I get back again are to be discounted; that forms part of my calculations.

4364. I think you said that, generally, the East Indian trade was in an unprofitable state at the present moment?—I speak simply of my own.

4365. Is it not the fact that the East Indian trade, during the last two years, has been very profitable?—The home trade has been so; the export trade has not been profitable; but I only speak of the present moment; I say that at the present moment the prices of everything have risen so much on both sides that I am stopped; I am not speaking of the trade generally, I am only speaking of myself individually.

Veneris, 17° *die Julii*, 1857.

MEMBERS PRESENT.

Sir Francis Baring.	Mr. Hildyard.
Mr. Cayley.	Mr. Puller.
Mr. Ennis.	Mr. Martin Tucker Smith.
Mr. Fergus.	Mr. Spooner.
Mr. Gladstone.	The Chancellor of the Exchequer.
Mr. Glyn.	Mr. Vance.
Sir James Graham.	Mr. Weguelin.
Mr. Hankey.	Mr. Wilson.

THE RIGHT HON. THE CHANCELLOR OF THE EXCHEQUER, IN THE CHAIR.

John Twells, Esq., called in; and Examined.

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4366. Mr. *Cayley*.] YOU are a London banker, I believe?—Yes.

4367. How long have you been a banker?—Upwards of 50 years.

4368. When did you commence being a banker?—In 1801.

4369. Were you then at an age to appreciate the state of finance and of money?—Yes; it was necessarily brought before me a good deal at that time.

4370. Did you then join the house with which you are now connected?—No, I was then a clerk in the house.

4371. Your house is the house of Spooner, Attwoods & Company?—Yes.

4372. When did you join it as a partner?—About 1825 or 1826.

4373. You are connected, I think, with the principal partners in the firm by relationship?—With one of them, namely, the present Mr. Attwood; he is my nephew.

4374. The late Mr. Matthias Attwood was your partner?—Yes, he was my brother-in-law.

4375. Have you large connexions with the country?—Yes, we have some rather extensive connexions with country bankers.

4376. Have you a large connexion with Ireland?—Yes, a very extensive one with Ireland; we are the agents for the Provincial Bank of Ireland, who have, I think, about 40 banks in different parts of Ireland.

4377. Then you do, I suppose, well on to one-third of the Irish business which

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which is done in London?—We must do a very large proportion; I should think fully one-third.

4378. Your experience ranges over a great length of time; you have been an eye-witness of, and have taken part yourself in, various systems of currency during that period?—Yes.

4379. Were you old enough when you joined the bank in 1801 either to have had any experience of, or to have inquired into the system which existed previously to 1797?—Not practically; I had been in the habit of communicating with those who were bankers; but I was not practically engaged in it before 1801.

4380. We have had evidence before this Committee in relation to a commercial pressure in 1783; can you tell us anything of that?—I can only speak to it by having occasionally referred to former periods, it being a subject in which, of course, I took some interest. In 1783 there was a great pressure, and in the years 1793, 1794, and 1795; I should say that from 1793 to 1797, the pressure was very extreme.

4381. To what were those various pressures attributed?—They were attributed at that time very much to the withdrawal of gold from the country, and the consequent contraction of the circulation of the Bank of England notes.

4382. Was the system of currency then the same as we returned to in 1819?—It was not precisely the same; there were some alterations made. If you refer to the restoration of the gold and silver currency there was some alteration made in it then. At that time it was first allowed to be exported, and to be used up by the jewellers, which was prohibited before; there was that change made.

4383. And in 1816 we passed from a conjoint standard of silver and gold to a gold standard only?—Exactly.

4384. Was the Bank note convertible at that time into a coin of specific fineness or weight?—No, at that period it was not convertible into gold; the restriction was then in operation.

4385. I speak of the period before 1797?—At that period it was payable in gold.

4386. Or silver?—Or silver.

4387. Was it convertible into a coin of any definite weight, or into the coin of the realm as it was then current?—Into the coin of the realm as then current.

4388. But if the guinea had been worn, or the silver had been worn, the note would still be converted into it?—Exactly.

4389. So that every change in the price of gold or silver did not affect the currency in the same way as it does now?—It did not affect the exchanging of the Bank note; you were always paid in guineas up to that period.

4390. If the gold had fallen below its legal weight, and if the note was still convertible into it, that coin, from having lost weight, was not so liable to exportation as it is now?—No; there was very little attention at that time paid to the weight of the guinea. If the guineas were light (and many of them were very light) still they all passed current without any investigation.

4391. So that the oscillations in the rate of discount were not so frequent as they are now?—No; it was invariably the same for a very long period; I scarcely remember any variation in it; 5 per cent. was the regular rate.

4392. In spite of the greater facilities for convertibility before 1797, still there occurred these pressures of 1783, 1793, and 1795?—Yes; I think if we refer, we shall find that there was a great diminution of Bank notes. It was in 1793 that the Bank of England first began to issue 5*l.* notes. At that time there was a very great pressure, and a great number of country banks failed in the year 1793; then the Bank of England began to issue 5*l.* notes, which was some little relief; it relieved the pressure for a moment, but still it soon returned.

4393. Do you remember what was the state of things in 1795?—In 1795 it was very bad.

4394. Did that state of things continue up to 1797?—It did; there was a very great pressure indeed.

4395. Was that owing to a drain of bullion for purposes of war, or to an excessive issue on the part of the Bank?—Not to an excessive issue, for the issue was limited; it was attributed to so much bullion being drawn for our continental war, we being then at war with France. It was reduced to, I think, within

within about 1,000,000 *l.* in the Bank of England, and they could not go on any further.

4396. Do you remember the circumstance of the Bank Restriction Act of 1797?—I remember it very well.

4397. Do you remember the effect which it had upon the public mind in London?—I should say none at all. There was great apprehension that it would create almost a tumult amongst the population, and very great alarm was expressed; but when the Bank of England were allowed to issue their notes, that supply relieved the alarm directly; and it was perfectly satisfactory, and so far from causing any disorder, was very cordially received by the country.

4398. Mr. *Puller.*] Do you refer to the 5 *l.* notes?—No, the general notes; I speak of the period of 1797.

4399. Mr. *Cayley.*] The Bank then had the power of issuing 5 *l.* notes?—Yes; they commenced in 1793.

4400. You say that the state of trade had been disastrous before 1797?—Very much so.

4401. What was the effect subsequently to 1797?—The effect was very immediately felt. I recollect that, a few months before 1797, King George the Third, in going to the House of Lords, was hooted and insulted a good deal. In 1797 came the restriction. I think you will find, in the Speech in November of the same year, a passage congratulating the country on the great improvement, and the loyalty and attachment of the people.

4402. Was there much difficulty in raising taxation before 1797?—Very great; it was much complained of.

4403. Twenty million pounds was then the amount?—About that.

4404. Do you remember whether the 30,000,000 *l.*, which was raised very shortly afterwards, was more or less easily collected?—I should say more easily collected, because immediately after 1797 the condition of the country decidedly improved; and in 1801 I see that the Speaker, in his reply, speaks of the continued prosperity of the country; in 1802 it was the same. In June 1802 I see that, in the Speech from the Throne, His Majesty says: "It is a relief to me to contemplate the state of our manufactures, commerce, and revenue, which afford the most decided and gratifying proofs of the abundance of our internal resources, and the growing prosperity of the country."

4405. At that time we were in a state of peace?—Yes, just at that time.

4406. The transition from war to peace had not produced disaster then?—Not at all.

4407. There was a great scarcity, was not there, somewhere about the end of the last century or the beginning of the present century?—In 1800 there was a great scarcity of corn.

4408. In the present day a great scarcity of corn is generally accompanied with considerable commercial disaster from the drain of bullion?—Yes.

4409. Did anything of that kind take place in the year 1800?—No, it would not affect the people of the country, because the drain of bullion would not affect the currency, there being then a Restriction Act.

4410. Do you remember as a fact, that there was no commercial pressure in the year 1800?—I should say none; the Speaker in 1801 refers to "the continued prosperity of the country." There was a privation of food from a bad harvest; it was so extreme that I recollect perfectly well that regulations were then generally entered into by families of any respectability to abstain from using bread, and from using pastry, and to do everything they could to economise the flour.

4411. We have never had so great a scarcity since, have we?—I think not.

4412. In spite of that great scarcity, there was no commercial pressure accompanying that scarcity?—No.

4413. How was the corn obtained; I suppose we bought it?—We imported corn.

4414. In large quantities?—In large quantities.

4415. How did we contrive to obtain that corn without some drain of bullion?—I should not consider that bullion was at all necessary to obtain corn from any country.

4416. Why?—You purchase it with goods and manufactures. Parties who send you corn do not want bullion; they will take bullion if it be cheaper than broadcloth, not otherwise.

4417. Do you consider that it is a part of the present system to substitute bullion for broadcloth under those circumstances?—I should expect that it was.

4418. Will you describe how?—I am being guided by experience, not by any theory. Looking at experience, I find that for nearly 20 years we had no bullion to export, but still the traffic of ourselves with other countries went on extensively and quite as prosperously without it.

4419. You obtained whatever you wished to obtain from the Continent or elsewhere, without that instrumentality?—Certainly.

4420. During that period of the war we are told that there were great oscillations in the rate of commercial discount; can you speak as to that?—The rate of discount was 5 per cent.; from about 1800 up to 1822 it never fluctuated. As to the commercial rate, I scarcely know what you intend to refer to, because there was only one rate of discount of 5 per cent. for all purposes; we never thought of any other rate.

4421. The Bank rate was five per cent.?—The Bank rate and the bankers' rate; we had no other rate.

4422. Have you consulted your books to ascertain whether you did not charge more than five per cent. during any part of this period?—I have not consulted the books, because I so confidently know it; it was a thing which never occurred to us. I would venture to say that we never charged above five per cent. in any single instance.

4423. And you do not believe that any respectable banker did charge for commercial discount more than that?—It never occurred to me to suspect that any banker would do so; it was so very settled a thing.

4424. Did you charge no commission?—None.

4425. Did other bankers charge no commission?—I should think not; the system is very much altered from what it was then. It was then the rule with bill brokers, who now form such important parties with relation to bills of exchange, always to charge five per cent., and one-eighth per cent. commission for short-dated bills, and one-fourth per cent. for longer dated ones.

4426. That is to say, 5*s.* for long-dated bills, and 2*s.* 6*d.* for short?—Yes; that was their profit.

4427. And that was the extreme?—That was the extreme, unless it was some very unusually lengthened bill.

4428. Did that rate extend to the Stock Exchange?—No; the Stock Exchange had nothing to do with commercial bills of exchange.

4429. At that time, do you remember what would be the price paid for continuation?—You could hardly fix a price, because it fluctuated with what they call there the Settling Day, which used at that period to be once in six weeks. It would vary from one settling day to another, according to the buyers or sellers, or the speculators in stock.

4430. If a man had overbought, he would be obliged to pay a high rate?—A high rate of discount; and the system was amongst the brokers and the dealers in that way to transfer the stock into your name, giving you a margin of three, or four, or five per cent., just as they agreed, and you transferred it back when you were repaid your money; it was very safe.

4431. You became a party to the transaction?—Yes.

4432. But it was a gambling transaction?—We always considered it approaching that; still it was practised to a great extent. It had nothing to do with commercial bills, which form the legitimate trade of bankers.

4433. The commercial rate remained the same throughout the whole period of the Bank Restriction Act?—Certainly; there is no doubt about it.

4434. To what do you attribute that?—To the steadiness of the currency. We were told that it was a currency of undoubted character, and one which was proportioned to the wants of the people; that there was nothing to make it unsteady.

4435. Bullion then formed no part of the circulation?—Not the least; we knew nothing of it.

4436. Then the commercial public had to depend upon Bank of England notes?—Quite so.

4437. The Bank of England notes were not liable to be withdrawn as bullion is?—No; there was always a steadiness with them.

4438. Therefore there was no cause for change?—There was no cause for fluctuation.

4439. Do you remember whether the Bank increased its circulation very much or virtually at all, between 1797 and the year 1810?—In 1797, when the restriction was first passed, it was the expectation of the Bank that they should very soon resume their former position, and I think that they had the power to resume at any time on giving a month's notice to Government. It was looked upon by themselves, and by the Government too, as a temporary measure. Still being allowed to increase their notes it removed the distress instantly, but there was great caution used; you find that for three or four years there was very little increase indeed of the circulation, just sufficient to prevent distress, and it was not until 1803 or 1804, as has been observed, that the nation began to feel its own strength, it having never known its strength before. Then we find some of those gigantic works commencing, such as the East and West India Docks, and the Grand Junction Canal, which were constructed, I think, about that time, and many other public and private works which seemed to spring up, from the knowledge which had been obtained, that the country had now got an instrument of exchange which would not be withdrawn from them; it gave them, as it were, tools to work with with confidence.

4440. There was nothing then to check the natural energies of the nation?—Nothing whatever.

4441. Did that state of things continue during the Bank Restriction Act?—I think that the first break to it was about the year 1810.

4442. Do you remember whether the market price of gold varied much between 1797 and 1810?—It did vary; I remember its being as much as 4*l.* 8*s.* or 4*l.* 10*s.* an ounce.

4443. Not before that time, I think?—Not before that time; I am not aware of it.

4444. Did it preserve the rate of somewhere about 4*l.* an ounce?—I remember its being as high as 4*l.* 8*s.* an ounce about the same period.

4445. You were speaking of the first break to the state of things which you have described?—I think it was about 1810, when Mr. Horner proposed his Bullion Committee. That created some fear that the Bank would have to resume their cash payments in case the Committee should make such a report as would lead to that effect.

4446. Did it produce any suspension of credit?—There were other causes at that time which might assist; I think you will find that it was about that period when Buonaparte ordered all our English goods on the continent to be destroyed, which would cause a great deal of local distress here. It was about that time also, 1810 or 1811, that we were disturbed in our relations with America. It was said that about 10,000,000*l.*, had been either checked in its progress or counter-ordered, and this coming with the Bullion Committee, caused for a time a good deal of pressure, and there were a great many failures, both of merchants and of bankers.

4447. Did that pressure last for any time?—No, it very soon subsided. In 1810, I see it was that the distress was so great that there was an issue of 4,000,000*l.* of notes very suddenly; that relieved the pressure.

4448. Do you remember whether the Bank of England, in expectation of the possibility of the resumption of cash payments, took any stringent measures at that time?—They took some strong measures in expectation of it; it was thought that a permanent contraction of the circulation was probable, and it created an alarm, and for the same short period there was a good deal of distress in the country in consequence of it.

4449. Did the alarm subside when it was known that the cash payments were not then to be resumed?—It very soon subsided.

4450. Have you any evidence of that?—I think I have; in 1811 it was said in the speech from the Throne, that "although the difficulties under which the commerce of the kingdom has laboured have, in some degree, affected the revenue, yet, in the last year, though unaided by any new taxation, the revenue is greater than was ever known in any preceding year." (12 February 1811.)

4451. Did that state of things continue till the end of the war?—Quite, I should say without interruption, till the year 1815.

4452. When the year 1815 came, did it then continue?—No; as the Bank were required to resume their cash payments six or twelve months (I believe it was six months) after peace was concluded, they of course, as they very prudently and properly would do, began to restrain the issue of their notes.

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so that when the time came there might be as few out as possible; that caused immense distress; it is frightful to look back now at the petitions which came to the House of Commons; I suppose there is nothing on record which exhibits such a picture of national calamity as do the petitions of that period.

4453. What in your view was the cause of that?—Not, as it was said then very commonly, the transition from war to peace; but a transition from a safe and abundant currency to a deficiency of it.

4454. You do not believe the natural effect of peace to be distress and disaster?—Not at all.

4455. That distress lasted for some time, did it not?—Till 1816 and 1817, it was exceedingly great.

4456. Were there no measures of relaxation, so as to postpone the cash payments?—Yes; when the distress was so extreme that the Government thought it necessary to interfere, they had no means of interfering, but by increasing the currency; they did not attempt anything else; the currency was increased, and we had then a season of prosperity for a time.

4457. Then came the year 1819, when the resumption of cash payments partially took place?—Yes, it was to do so; the object of the law was that of regulating the time when it should take place.

4458. Was there no attempt at resumption before the year 1819?—There was a partial resumption at one period; I should suppose it must have been about then. The Bank of England wanting gradually to resume cash payments, issued a notice that they would pay 3,000,000 *l.* of their 1 *l.* notes which were out in circulation and dated previously to 1817; that they would be paid on presentation, in gold, to the amount of 3,000,000 *l.*

4459. That constituted two classes of notes; what effect had that upon the public?—None whatever; because there was little gold wanted. As bankers, we never used to trouble ourselves to take the least notice of the difference. I remember when a great many of these notes were in, parties would come and ask as a favour, if they could have 20 or 30 of these notes. We then occasionally used to be at the trouble of looking them over, and of picking out 20 or 30 notes; but it was always to oblige some individual. We never troubled ourselves in the least about the difference of the two kinds of notes.

4460. One description of these notes was convertible into gold, namely, those prior to 1817, and those subsequent to 1817 were not?—Just so.

4461. Was there no different price in the market?—I have known parties who were rather anxious to get gold say, "If you can get me some of those notes, I will give you 4 *d.* or 6 *d.* a note for them." It was in that trivial way, but there was no general price. I have known that to be done.

4462. That constituted the whole difference between the two?—Yes; there was no practical difference; nothing that interfered at all with the circulation.

4463. Was there any practical complaint about it?—None whatever.

4464. Did it interfere with business in any way?—Not in the least; it was never thought about.

4465. Coming to the Act of 1819, was that followed by any particular characteristic?—It was the Act of 1819 which was to continue the restriction until 1823.

4466. Was that followed by prosperity or adversity?—I have a memorandum, that small notes issued before the 1st of January 1817, were to be paid off. That was in the year 1817, and in that year sovereigns were issued. I know that the amount was 3,000,000 *l.* Then in 1818 there were increased issues; then everything was going on very satisfactorily. In 1819 came this Bill, and from 1819 to 1823, I think you will find that there was very general and constant distress.

4467. Was that a period when there were violent outbreaks in the country?—I think it was at the time when we used to hear of the Luddites.

4468. And Mr. Hunt?—Yes, at Manchester.

4469. And I think the six gagging Acts took place about that time?—Yes; it was in the year 1819, on the passing of that Bill, that Mr. Canning observed, that the question was settled for ever; that we should hear no more of it.

4470. In your mind, what was the cause of that distress subsequent to 1819?—If you compare the dates, and the state of the country, you may see cause and effect following each other with very great exactness. Whenever there has been a plentiful issue there has been prosperity; withdraw it and you find distress.

distress. I do not suppose you can see it more strongly. Take any other year: take the year 1824, which was said to be so prosperous a year, when all interests were flourishing, and all fixed upon a sound and solid basis; when the Chancellor of the Exchequer said, "Now is the time the country will bear anything; now return to gold payments—to the issue of gold." Directly they began to do so, see in how short a time it was that we had a panic.

4471. Was the panic of 1825 caused, in your opinion, by the export of gold?—I conceive entirely. There never was a period when all the different interests of the nation were in so thriving a condition as in 1824; so said the Chancellor of the Exchequer. Then in 1825 it was that the distress came on; and it was said that there was as much as 6,000,000 *l.* additional issued in the space of six months. It was at that time when several London bankers failed; Sir Peter Pole and Company, and others, and a number of country bankers.

4472. Your opinion is that the distress was caused by the export of gold. Was that the general opinion at that time?—The general opinion was that it was from there being a contracted issue; and that a contraction of the issue would spring from the gold being exported.

4473. Subsequent to 1825, and before 1844, do you remember any particular features which are worthy of notice?—As the distress came so frequently, there were different alterations made with respect to the country bankers' 1 *l.* notes. They were first of all to be paid in 1823. Then they were allowed to be issued till 1829; and joint stock banks were established to be proof, as it was then said, against speculation and panic.

4474. Do you think that they produced that effect?—Not at all. Though there was an Act passed, the public did not avail themselves of it at first; it was three or four years after the Act was passed before there began to be a sort of disposition to establish joint stock banks; they were not immediately formed. For three or four years the Act lay dormant, as though the public did not approve of the change. Then in the year 1833 the joint stock banks began to spring up with great rapidity.

4475. What was the state of the country between 1825 and 1836 and 1837, when there was another pressure?—In 1826 the distress was very great, which led to an alteration in the time of issuing the small notes.

4476. Subsequently to that, did that pressure continue long?—It continued a good while, down to 1830. In 1829–30 you will remember how you were inundated with petitions from all parts of the country, complaining of the distress, and generally attributing it to a contracted currency. Various other causes were assigned, according to local views and local opinions; but that was the general tenor of the petitions.

4477. There was a pressure during the passing of the Reform Bill, was not there, owing to an internal drain; do you remember that?—It was said that the distress was so very great at that time, that it caused the Reform Bill; that there was so much dissatisfaction, that they thought any change would be beneficial. And now you mention it, I recollect that in several of the petitions it was stated that the finances of the country had been so improperly conducted, that they thought a reform in the House of Commons would lead to a reformation in the currency. Incendiarism broke out in 1830. I know that that was a time of extreme pressure.

4478. When Lord Grey left the Government, and the Duke of Wellington was called, was not there a great run for gold; in 1832, I think?—In 1831, 1832, and 1833, it was a time when the agricultural wages fell, and there was very great distress among the agriculturists; and it was at that period (I think in 1833) that the circulation rose very rapidly up to about 20,000,000 *l.*, which relieved the distress at once.

4479. That ended in a pressure, or a panic, in 1836 and 1837, did it not?—Yes.

4480. By what was that pressure in 1836 and 1837 caused, in your opinion?—In 1834 there was a good deal of distress amongst the country bankers, and the merchants as well; for they always go together; and it was at that time that the joint stock banks were coming into operation. In 1833 they commenced, I think. In 1834, 1835, and 1836, they sprang up very rapidly. One or two of those were very extensive in their operations, and failed to a tremendous amount. I think the Bank of Manchester failed for about a million of money.

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4481. This ended, in 1836 and 1837, in a panic; to what do you attribute that panic?—To the same irregularity in the currency.

4482. Was there a drain of bullion at that time?—That I really do not call to mind; I believe there was.

4483. What was the state of things in 1839 and 1840?—In 1839 and 1840 there were great efforts made to bring gold into the country. It was about 1839 that the bullion fell in the Bank to about 2,000,000 *l.* or 3,000,000 *l.*

4484. It was said that the Bank of England was indebted to the Bank of France for some accommodation?—Yes.

4485. Then very considerable distress arose, I believe?—There was great distress. It was in 1839 that the Bank of England raised their discounts to 5½ and 6 per cent.

4486. The Act of 1819 up to 1844, does not in your opinion appear to have been very satisfactory?—We had been so accustomed to a regularity in the rate of discount, that to us, who were you may say old bankers, the fluctuation was a great novelty. From 1819, I should say the rates have changed from 40 to 50 times. Before that period we had no change, it was uniformly 5 per cent.

4487. The Act of 1844 was passed in order to improve the Act of 1819, or as a complement to it, was it not?—Entirely, I should conceive.

4488. How do you think that the Act of 1844 has operated?—If I were to answer you as a banker, I should say that it has operated exceedingly well, for it has afforded a rich harvest to bankers and capitalists of all kinds. But it has operated very badly to the honest industrious tradesman who requires steadiness in the rate of discount, that he may be enabled to make his arrangements with confidence; it must distress that class very much indeed. For large capitalists and bankers, it is evident (there is no occasion to disguise the thing), that it has operated exceedingly well; it has made money lending a most profitable pursuit for them.

4489. It enables the London joint stock banks to return from 20 to 22 per cent. to their proprietors?—The other day I saw that one of them was paying 18 per cent. and I think another 20; they ought to support the Act of 1844 very strongly.

4490. You think that it does not act quite so well for the public?—No, I should think not, that is to say, more particularly perhaps what we may call the little tradesmen, and respectable merchants who have not a large capital. It pinches them very much indeed, and I should think it must pinch them in all parts of the country. The only means that I have of knowing is, that I observe such an amazing quantity of their acceptances unpaid. They are always small, perhaps ranging from 20 *l.* to 100 *l.*, a great many of them are unpaid, and go back unpaid to all parts of the country, which is always an indication of suffering amongst that useful class of people, little shopkeepers.

4491. Then this Act of 1844 is more grinding upon the smaller man than it is upon the larger?—He feels it more. As a man's capital is small, he is the first who feels the evil effect of anything of the kind, because he has less strength to support it.

4492. When there is a high rate of discount the first class of capitalists can alway find accommodation at a certain price, I presume?—Yes.

4493. When the first class of bills is paying 6, 7, and 8 per cent., what do you think that the second and third classes of bills are generally paying?—You cannot fix any rate, because in every transaction there is a separate agreement. I have known cases of the sort within these few weeks, in merely asking casually for information. I met with a person about a fortnight ago, who said he was giving 11 per cent., it was a bill for 150 *l.*; he was a respectable man, but a man to whom 150 *l.* was a consideration. He said that it was not the rate of the discount only; but that from the shortness of money he was put off so long in receiving his accounts. He stated that this was a sum which he ought to have been paid in cash; the party could not pay him in cash; he said, "I will give you my acceptance at two months;" he thought it better to take that than to get nothing. Then he had to get it discounted, and not being in the habit of employing discount houses, he had to give 11 per cent. Now that is no extravagant and no singular case.

4494. What do you say of trade generally now; should you consider it very profitable?—No, I should say not. The means I have of knowing is merely by inquiring, and from what I hear from different people. A few days ago I was

I was speaking to a colonial broker of Mincing-lane; I said, "How are prices?" he said, "The prices have not fallen much." I said, "Is not that a good symptom?" he said, "No; although things keep their prices we do nothing, we sell nothing; we cannot sell upon any terms." He said, "If I were to go now and attempt to sell anything, the sacrifice would be so great that it would be ruinous, but still we keep the nominal price."

4495. Then the holders of those commodities must be capitalists, and must not be dependent upon accommodation, or else they would be obliged to sell?—See how it works practically. Take a case: a Frenchman sends over about 3,000 *l.* worth of goods to his broker in Mincing-lane, to sell them at a certain price; he finds that he cannot sell them at that price, and he writes over to that effect; the Frenchman says, "Well, if I sell under that price I shall lose a great deal of money, and you must assist me." Then the broker assists him with 1,000 *l.* He says, "Draw upon me at three months for 1,000 *l.*," which is one-third of the value; "I will keep the goods in my possession as security, and in three months we shall sell them." Then the broker tells me that the three months have expired, and he is no nearer selling them than he was before. He has then to pay this 1,000 *l.* bill, and though he has the 3,000 *l.* security he cannot make it available; then he is in difficulties, and that is how one pulls down another.

4496. How does this account tally with the large returns which we see of the exports and imports?—With regard to the large exports, I apprehend that where there is a depressed state of trade at home, it necessarily forces large exportation, and I do not know that that is any criterion of increased employment, unless you can at the same time say what has been the case with regard to the home consumption.

4497. Do you think that the home consumption has been diminished?—Very much indeed; I should think it must have been immensely diminished, from what we hear; the shopkeepers are the best authorities.

4498. Still the importations are very large; does not that indicate a large consumption?—It does, if you can sell; but many of the warehouses are full of these things; in this very instance which I have been relating, there is 3,000 *l.* worth imported which cannot be sold. These are little incidents which occur, but what occurs to one we may assume will occur to others; if it comes before us in the way of business, we may assume that similar things come before others.

4499. You consider, then, that the Act of 1844 has not operated very well for trade?—Not well for the public, I should say.

4500. It has operated well for the banker?—Very well indeed, and for the capitalist.

4501. During that period, it has not exempted the public from a great panic, has it?—No. Capitalists are now getting what you may consider a legitimate rate of interest, and beyond that an additional rate for an artificial scarcity of money.

4502. What, in your estimation, was the cause of the panic in 1847?—The same cause as that assigned for former panics.

4503. A drain of bullion?—A drain of bullion.

4504. The currency being based upon bullion?—Yes; I think that we find, in all these various panics, that there has never been the slightest suspicion as to the soundness of the Bank of England note.

4505. Taking the last three or four years, according to the Governor of the Bank, who has been examined, he considers that during those years, although they have been years of difficulty, the Act of 1844 has operated well; is that your opinion?—As far as I am able to judge of the Bank of England, I should expect that it would operate very satisfactorily to them; it must save them a good deal of trouble and responsibility. I should think that they could have no cause to complain of the Act, because whatever distress it may produce, whether it does or does not, does not rest with them; they are merely the persons who carry out the Act.

4506. What do you consider to constitute the difference between the Act of 1819 and the Act of 1844?—If we take the Act of 1844, it is what the Act itself states it to be, namely, that it is to limit the issue of country banks; that is one of its provisions, and the other is, to appoint a way in which the Bank of England shall conduct the issue of their notes; there is nothing in the Act beyond that; those are the two chief points, I think, of the Act.

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4507. So that the Act of 1844 is more binding upon the Bank to carry out to the fullest extent the Act of 1819?—Very much, I think; and if we look to what was stated at the time, it was said that it was, as far as legislation could do it, to prevent a recurrence of the evils of 1825, 1836 and 1839, and to give a steadiness to the trade of the country. It certainly has signally failed in those objects, I should consider, because it has not produced that steadiness or prevented a recurrence of those evils.

4508. The system pursued under the Act of 1819, between 1819 and 1844, may be considered as riding the Act with a loose rein, and the system under the Act of 1844 as riding it with a tight rein?—Yes, I think that is about the correct view of it.

4509. You stated that the intention of the Act of 1844 was to prevent those fluctuations and pressures in trade which had existed previously?—Yes.

4510. Do you think that that has been the effect?—No. I still keep experience in view. I do not know how to divide the fluctuations between the several periods, but I know they have been very numerous.

4511. Is it not true that between 1844 and the present time, there have been about 50 fluctuations in the rate of discount?—I was not aware that there had been so many as that; I knew that they had been very numerous; I thought that there had been between 40 and 50 from the year 1819 up to the present time.

4512. There has been an opinion expressed before this Committee that this frequency of alteration in the rate of discount is natural, and impossible to be prevented; is that your opinion?—Keeping experience in view, I should say that regularity is certainly not impossible, because we had it for so many years.

4513. It is stated that these alterations in the rate depend upon alterations in the value of capital, and not in the value of money; is that your opinion?—The money, I apprehend, will fluctuate very much indeed under the present system, and it has an influence on the value of capital.

4514. When money is dear would you say that capital would be cheap?—Yes.

4515. When it is stated that it is an alteration in the value of capital, which produces these oscillations, would you suppose that it meant deposits?—I should not consider deposits as forming a part of capital.

4516. As a banker do you deal in capital or in money?—We deal in money.

4517. How are the deposits paid into your bank?—In money.

4518. How are they paid out?—In money.

4519. Then can they be called anything else but money?—No.

4520. Do not they, in point of fact, form part of the circulation?—Yes.

4521. Anything which affects the value of gold affects the value of deposits?—Yes.

4522. They are of the same nature as the bank note, are they not?—Yes, I think so.

4523. Which varies in value with the presence or the absence of bullion?—Yes; those very subtile questions are things which I have not paid much attention to, because my inquiries have been all of a practical character; I can speak better to any practical point.

4524. But practically speaking you know that deposits are virtually money?—Yes. I did not, at first, catch the meaning of the question (4515).

4525. And that they alter in value?—They constantly alter in value.

4526. They alter in value with the alteration in the value of gold, or in the value of the bank note?—Yes.

4527. When the rate of discount rises, the joint stock banks give more to their depositors in proportion?—Yes.

4528. If the alterations in the rate of discount are stated to depend upon the alterations in the value of capital, if that capital be deposits, that capital, in fact, is only money?—To look at it practically, if I begin business with 10,000 *l.*, I buy with 5,000 *l.* tallow, or coffee, or cocoa, or anything, and put it into a warehouse; I deposit the other 5,000 *l.* with a banker, to draw upon it and use it as I require it; I consider it still 10,000 *l.* capital to me, though 5,000 *l.* is in the shape of deposits or money.

4529. You have parted with 5,000 *l.* of your money to somebody else?—Yes, but still it is at my command.

4530. You have exchanged 5,000 *l.* of your 10,000 *l.* for goods?—Yes.

4531. You

4531. You have parted with your 5,000*l.* of notes to somebody else?—Yes.

4532. Then he has 5,000 *l.* of deposits?—Yes.

4533. And you have 5,000*l.* of deposits left?—Exactly.

4534. He has 5,000*l.* in money, and you have 5,000*l.* in money?—Yes.

4535. But it is nothing but money at last?—No.

4536. Under what does the country suffer, and why under a drain of bullion?—Because it cannot have supplied to it a sufficient circulation. The House of Commons was congratulated, in the year 1811, upon the adoption of a measure for supplying the country with a "circulating medium of undoubted credit proportioned to its wants;" now I take it that to secure that is the object of a sound currency.

4537. Mr. *Glyn.*] From what is that an extract?—That was stated on Mr. Horner's motion for the Bullion Committee. "A circulating medium, of undoubted credit, proportioned to the wants of the country," I conceive, must embrace everything that can be required of a currency.

4538. Mr. *Cayley.*] Whose opinion is that?—That is what was stated by Lord Castlereagh, and he observed upon it that this circulating medium of undoubted credit had, "for the first time, solved the problem of reconciling national prosperity with a state of war; that the country had risen in manufactures, internal improvement, revenue and commerce, with a velocity which had never been experienced in a year of profound peace."

4539. Would you like the system which existed at that time to return again with the restoration of payments, like that of 1819?—I am not aware what objection can be made to it; if you look back, the Restriction Bill, and the provision as to the issue of notes by country bankers, you will see that this system did not arise from superior sagacity in anyone; it was one of those things which are discovered by chance and the force of circumstances; therefore the progress of the issue of these notes was very slow, without the opposition and without the support of the Government. Country bankers were called into existence by the wants of the people, not from any encouragement of the Government; and I should consider that they were and are among the most useful men in the kingdom.

4540. Then where would be your measure of value; would you have no limit to your circulation?—You must have a limit by the wants of the people; you cannot issue beyond their requirements, if you take experience for your guide.

4541. Supposing your wishes could prevail, would you be satisfied with any limit, such as 14,000,000*l.* or 16,000,000*l.* of either Exchequer notes or Bank of England notes?—Now we issue about 14,000,000*l.* against securities; I should consider that it would be only the honest and the just course to take, that those notes should bear upon them the mark of the basis upon which they are issued; there can be nothing to object to in that; I think that they should be known to be issued upon securities, and that instead of being promises to pay, they should be promises to receive in aid of all the taxes. Now, I should be very careful in hazarding an opinion upon a thing which has not been tried; there is that subtlety in all money transactions that you cannot pronounce respecting them with confidence, nor do I think anybody's mere opinion can be entirely relied on; but I should be inclined to think that if 14,000,000*l.* were issued in that manner, not payable in gold, it would go a great way indeed to restore a steadiness in our commercial transactions; I could not say that would be the case, but I have that strong impression.

4542. That 14,000,000*l.* would be a legal tender from the Bank of England?—Yes.

4543. There would then be only some 4,000,000*l.* or 5,000,000*l.*, or 6,000,000*l.*, probably issued upon gold?—Yes, for which you could apply to the Bank for gold.

4544. There would then be bullion notes and legal tender notes?—Yes; as an opinion I should say that, if there were no objection, it would be very beneficial to increase the amount of the legal tender notes to 20,000,000*l.*; but still if there is any hesitation about it, my impression is, that the 14,000,000*l.* would effect great good.

4545. You say that you are not willing to make a positive statement, but that you go by experience?—Yes.

4546. The experience of this country for the last 10 or 15 years is, that somewhere about 20,000,000*l.* of bank notes are required in the hands of the

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public for the commercial purposes of the country?—Yes; seeing that is the reason why I mentioned 20,000,000 *l.*; 20,000,000 *l.*, I think, would make it perfectly secure.

4547. Do you think that, if there were 20,000,000 *l.* of Exchequer notes or of Bank of England notes which were a legal tender, and if the Bank of England had the power of issuing, say 4,000,000 *l.* or 5,000,000 *l.* convertible into gold, and if all the other bankers of the country had to convert their notes into this given amount of legal tender, it would prevent the oscillations in the rate of discount?—I should be strongly disposed to that opinion; but still till the matter had been tried, I would not be too confident about it.

4548. The rates of discount, in your opinion, have varied from the oscillations in the amount of gold?—Yes.

4549. But there would be no oscillations then in the amount of the legal tender?—I think not.

4550. And therefore the rates of discount would be less variable?—They would be steady and uniform.

4551. As they used to be before?—As they used to be before. I am quite aware how useful an instrument paper is, but it is quite desirable now, when there is time to consider of it, to ascertain what is the best mode to make it secure by any regulations which may be thought proper, and by any plan which may be adopted; I do not suppose that what I propose is perfect.

4552. Do you mean security for convertibility, or security against loss?—Security against loss. It is quite proper to consider any such plan.

4553. These notes would be a legal tender convertible into taxes?—Quite so.

4554. Would there be no other legal tender?—No.

4555. Then there being no other legal tender, the amount could not oscillate?—I should think not; it would be my impression that it could not; and it would be a safe trial, because if such a note were formed through the machinery of the Bank of England, which is so very excellent, and if such a note were to be issued to-morrow morning, I have no idea there would be the slightest objection raised to it.

4556. You think that it is of great importance that, if possible, variations in the rate of discount should be prevented?—Very much so.

4557. Do you see any probability of that being the case, so long as the amount of the legal tender varies with the amount of gold?—I do not see how it is possible, and particularly as we have experience to guide us, which is so valuable; it is the best test of truth.

4558. How would you manage with your foreign payments?—We have nothing to do with them; that is the merchant's business. I take it that what we want is a domestic currency quite independent of any foreign state. Whether gold or silver is wanted for the Continent, or for India, or anywhere else, it ought not to touch our domestic currency; we ought not to suffer from the mismanagement or from the wants, real or artificial, of any other country.

4559. Do we now settle our foreign payments with our currency?—I suppose the merchants do it with their bullion occasionally. I cannot help keeping experience in view; I know that for 20 years we did it without any metallic currency, and I do not apprehend that there can be any difficulty in doing it now if we did it then.

4560. The rate of exchange with another country is merely the value of our own currency in their currency?—The rate of exchange is merely between foreign merchants a means of settling their accounts. This rate ought to be quite irrespective of our currency, and it should have nothing to do with it whatever.

4561. Our foreign payments are, in point of fact, carried on by barter?—Yes.

4562. And you would have every separate merchant settle his own transactions?—Quite so.

4563. At present it is done through the instrumentality of the Bank of England?—It is a great deal through the instrumentality of gold, I suppose; but still there is no necessity for it. It is a very arbitrary measure to fix the price of gold or copper, or anything else, because we know very well that if a foreigner comes and finds that copper is cheaper than any other commodity, he will have all his return made in copper; if he finds gold cheaper, he will require to have his return made in gold.

4564. If the gold varied in value, he would be less likely to demand it if it was

was high?—It would then depend upon his wants and disposition as to what price he would give for it, exactly as if he was buying iron, or copper, or any other thing.

4565. Do we now settle foreign transactions in silver in that way?—An amazing amount of silver is exported from one cause or another; it is an article of barter which rests with the merchant entirely. I say any system would be defective if it should at all affect our currency.

4566. If there was this paper which you recommend, would there not be a danger that Parliament might alter the quantity of those notes which you think might constitute a better legal tender than we have now?—I should apprehend that a Government is the only power which can issue in excess; and any Government can do that, as we saw in France; the amount is regulated by the requirements of the country; they draw it out. It is trade which draws money into existence, I consider, and then money stimulates trade. We are so familiar with the machinery of the Bank of England, that I hardly know how to apply it to anything else; but the Bank of England, I should say, cannot issue to excess. We have seen very recently that they have had such an abundance of money that they have gone to the public, and have really invited them, saying, Come and take our money from us, and we will only charge you two per cent., but they could not get rid of it. There is no possibility of the Bank of England issuing in excess, so long as you give them credit for that common sense and common honesty which will protect their own interests.

4567. What difference is there between the paper which you recommend, and the French system which you appear to condemn?—The difference is, that when the French issued paper, they did not take their own paper in return. Now, you must take care not to issue more than you can receive back in return. Then it is a perpetual circle. You get your own money back for taxes.

4568. The legal tender has a value, in consequence of the imperative demand of commerce for it?—Completely, and the sanction of Government that will always give it a value; and all Government paper, I conceive, ought always to be in high value; it ought to stand in high estimation in the country.

4569. Suppose that 20,000,000 *l.* of notes was the amount found to be indispensable for commercial transactions, and that there was 20,000,000 *l.* of legal tender constituted by Act of Parliament, would those 20,000,000 *l.* of notes be as valuable as 20,000,000 *l.* of sovereigns?—Quite.

4570. You think that their purchasing power would be as great?—Quite so; I never knew a Bank of England note which was not convertible into everything which was required; there is no one thing but what it is at all times convertible into.

4571. If the amount of the proposed notes did not exceed what we have by practice found to be the amount demanded by commerce, namely 20,000,000 *l.*, you do not believe that they would depreciate in value?—I conceive it impossible for them to do so.

4572. Would the note alter in value?—I conceive not; if you speak of it as paper, it would alter no more than the sovereign would alter. I take a sovereign to-day, and buy five pounds of tea with it; next month I may go, and I shall only get four pounds for it, but then the sovereign will not have depreciated in value. It will have depreciated, it is true, if you compare it against tea.

4573. The supply and demand of commodities remaining the same, do you believe that the 20,000,000 *l.* of legal tender of paper would remain of a uniform value?—Quite so.

4574. But gold does not remain of a uniform value?—By no means.

4575. We have had 40 or 50 changes in the value of gold in the last 30 years, have we not?—Yes; nothing will remain uniform; because there are demand and supply, and local circumstances, which vary the price of everything. You cannot fix it; you do not want to fix it.

4576. Those alterations in the value of the gold pound have taken place in consequence of the export of gold?—Yes.

4577. But there would be no export of the paper legal tender?—None whatever.

4578. Therefore it would be less liable to fluctuate in value?—It scarcely could fluctuate in value, unless you took it, and compared it against one specific commodity.

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4579. It has been stated, that in the pressure of 1847, or in 1825, it was capital which the merchants were so anxious for, and not money; is that your view?—No; what they wanted was money to bring their capital into activity. Many instances are found where persons have had undoubted capital, even silver, upon which they could not get advances; they could not get instruments to carry on their trade; they wanted something to effect barter between man and man. If you contract the instrument of exchange, whatever it is, you contract the power of dealing with men.

4580. And you raise its price?—And you raise its price.

4581. And if the scarcity becomes very great, it produces a panic?—Quite so.

4582. As much as would be produced on board a ship, if the last barrel of water were to have a leak in it?—We find that there never is a demand for gold in commercial distress; it is Bank notes that we want, not gold.

4583. You speak of domestic transactions?—Yes.

4584. But foreign transactions are settled by barter, not by money?—Quite so; they are quite a separate subject, I should consider, from that of currency.

4585. If a limited quantity of 20,000,000 *l.* of notes of the description proposed were to be issued by Government, do you suppose that the Bank of England would receive 11,000,000 *l.* of that amount in payment of their debt?—That I do not know; that would be an arrangement between the Government and the Bank, which, no doubt, would be readily effected; whether the notes are issued by the Government, or issued by the Bank of England under the Government sanction, is a matter which is very immaterial. I only speak of the Bank of England, from seeing the excellence of its machinery in carrying on its operations.

4586. That system would be cheaper to the country than the present system?—Yes; it is quite a matter of arrangement; so long as the principle is adopted, it does not matter by whom the notes are issued.

4587. It has been stated to the Committee that prices have not been much affected by the different drains of bullion, and by the different alterations in the rate of interest in the country within the last few years; is that your opinion?—I should expect that there has not been that great depreciation which we should think would arise from the scarcity of money; some things have maintained their price very well, but a few dealers whom I see say, that although the price is not lowered, they do nothing, they have no business.

4588. Do you suppose that there are counteracting causes in operation at all?—There will be always a counteracting cause. If you deprive parties of the power of purchasing, of course they cannot purchase as they would do if they had more abundance; as has been said, a change in the rate of money affects every contract and every man in the Kingdom; therefore, though we cannot trace it and follow it, we all feel the evil effects of it.

4589. It has extended even to land?—To everything.

4590. An estate will not sell so well under a high rate of discount as under a low one?—No; it must affect everything.

4591. Do you believe that the gold-findings in Australia and California have had much effect upon the world or upon England in particular?—As far as England is concerned, they must have contributed very much to prevent distress; if the gold had not arrived, we must have felt the pressure, and what measures would have been necessary to be adopted it would be perhaps idle to look at; but there must have been some measures; either the Bank of England must have broken through the Act of 1844, or some steps must have been taken if that gold had not arrived; it sometimes happens now that really the welfare of the commercial world seems to depend upon the arrival or the non-arrival of a ship with gold.

4592. You think that it is not very creditable for the destinies of a great country to depend upon so small a circumstance as that?—I think it is anything but creditable, still you see that that is the consequence.

4593. You do not believe it to be necessary that the destinies of the country should hang upon the arrival of a ship?—I think not indeed; I think it is a pity that they should; it is a thing which ruins so many, there is so much pressure and so much evil, we see how it operates in all cases and upon every person. If you make money plentiful, you see that everybody is employed directly. As you withdraw it, people are thrown out of employment, and then we have recourse to that benevolent though cruel measure of causing people to emigrate.

4594. Under

4594. Under the present system that is inevitable?—Quite so, at least if we are told, as we have been, that our population increases so much that we cannot maintain them; but then we find that we always do maintain them when they have tools to work with, when they have plenty of money.

4595. If a tightness in the money market lasts for a considerable time, the tendency is to force sales in spite of prices being temporarily low?—Yes, it is merely a question of time; in time, parties must sell their commodities at any sacrifice. Of course that is warded off as long as possible.

4596. The object of putting on the screw is, if the gold does not return before, to produce in this country such a fall of prices as will induce the foreigner to come here to purchase our goods instead of taking our gold. Is not that so?—Yes, it has occurred very frequently in these fluctuations which have taken place, that when there has been a great issue of notes, it has caused a great deal of activity. People are led into various pursuits, some sound and some unsound; then we have recourse to the measure of altering the rate of discount in order to bring back the gold, and then all these parties feel the loss of it, they are punished for their activity. We have had that over and over again.

4597. It produces constant cycles of adversity and prosperity?—Yes, it seems inevitable.

4598. If the system were changed, you think that things would not be liable to those fluctuations?—I think not. The thing is to look at what would change it. There is one measure which I suppose would have a great effect, but I really do not know to what extent, and that is this: The Bank of England are now bound to purchase all the gold that is brought into the country. Now we have seen a time when they have had a sufficient quantity of gold to pay all their notes irrespectively of the 14,000,000 *l.* I do not see the advantage of compelling the Bank of England to be a sort of warehouseman for the dealers in gold, if the Bank do not want it. If you give them a discretion not to purchase more than they saw was necessary for their wants, and the wants of the public, that would make a great alteration.

4599. What would be the effect of any such alteration?—At that period it would have thrown, perhaps, 6,000,000 *l.* or 8,000,000 *l.* or 10,000,000 *l.* of gold into the market for the merchants to have done what they pleased with; they would have dealt with it the same as with so much copper.

4600. Do you believe that the commercial public would have any difficulty in liquidating their foreign transactions if the Bank of England was not a warehouseman, as you call it?—Not the least. There is also another evil attending it. By taking this gold it throws such a quantity of notes into circulation as encourages and fosters speculation, which is often of a dangerous character; but which the Bank of England cannot prevent.

4601. Then you object to an excess of notes being thrown into circulation?—In that injudicious way, because they do not come on account of the requirements of trade; they are forced on by this arbitrary principle. Now that I consider very pernicious. I think it would have a very beneficial effect if the Bank were precluded from buying more gold, if ever such a period should arrive again, than they required for their own wants, and the wants of the public, as far as they are able to judge.

4602. When would you stop them?—That must depend with them; they are the best judges of that. You cannot fix any limit; it is a discretion which you must leave with them, I think.

4603. You say that during the Bank Restriction Act a merchant had no idea of any difficulty with regard to any alteration in the measure of value?—No.

4604. But that since that period there have been perpetual changes in the measure of value?—Yes.

4605. Do you think that it has had any effect upon the mercantile body, that they are perpetually obliged to consider whether the measure of value will be greater or smaller in addition to the anxiety which they must have with respect to the supply and demand of the commodities in which they deal?—A great many look at it very vigilantly; but there are great numbers who do not trouble themselves about it; they pay very little attention to it. We cannot but see the effect, I think, comparing it with former times, which these fluctuations have produced. I will not say, exactly, that they have been productive of gambling in commerce; but of great irregularity and wild speculation, very far from that

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sober description of trade which used to characterise the English merchant; they have produced a great deal of what I may call an unsteady course.

4606. Do you attribute that in part to these violent fluctuations in the value of money?—They must necessarily have that effect; I think we must see that they have; persons now look to profits very much indeed, not so much to that steady course of industry which meets its reward, but to buying and selling, and making profits from the fluctuations which arise; there is a great deal indeed of that kind of thing; we see now by those who have capital, and can avail themselves of it, to what an extraordinary extent various trades are carried. There is a sort of monopoly; there are large houses like palaces with almost little towns which persons will occupy; they will deal in everything possible, from a hat almost to a ship; a vast accumulation of trades now unite in one hand. Now that is all very prejudicial to a little trader.

4607. What do you think that that is in consequence of?—Quite in consequence of these irregularities; there is such a rapid increase, that it gives a great command to those who have capital.

4608. Do you think that the result of the present system is to make the rich man richer, and the poor man poorer?—I think it must do so. We are now getting a high rate of interest. Whom do we get it from? I consider that we get it from the industrious commercial man, the trader; he pays us this high rate of interest; we profit by it, but it must be at his cost.

4609. Then you think that a limited amount of paper would preserve the measure of value more uniform, and that these oscillations and pressures are not necessary to commerce?—I think them pernicious to commerce.

4610. In fact, if the interests of commerce were considered rather than those of money, do you think that it would be expedient to get rid of a system under which commerce is kept in a constant state of apprehension, and subjected to occasional paralysis?—It would be desirable to get rid of it, or to modify it, so as to take the mischievous part away from it; whether it is capable of that I am sure I do not know.

4611. Supposing people were disposed to distrust your 20,000,000*l.* of paper, do you believe that if they demanded 20,000,000*l.* of gold to be locked up in a cellar as security for the paper, it would be a better money for commerce than the present, that legal tender being still inconvertible?—That is supposing a thing which we can hardly imagine, but I do not conceive that the note would be at all more valuable in practice and in reality. The Bank note with the sanction of the Government would be just as much valued as though the people knew that there was a sovereign locked up to meet it; the sovereign locked up to meet it would not give it one tittle more power.

4612. Do you think that commercial men if they had been consulted, would have invented such a system as this?—Certainly not.

4613. You think that it is a system which must have been invented by money dealers, rather than by commercial men?—Yes; it is the system of most commercial men to require very great freedom in all their transactions, as being the most profitable course which they can take.

4614. The natural tendency in a country like this of great industrial energy, and an old country, would be for capital to accumulate, and the rate of interest gradually to decline, would it not?—Yes; we see in experience that it does accumulate. Look at the possessions of this country now, compared with what they were 50 years ago; how wonderfully they have increased!

4615. But the present system is constituted so as to make money periodically scarce and dear?—Quite so.

4616. Do you think that the commercial public are discontented with the present system?—There is a great variety of opinions. Many, of course, are very much discontented, and many prudent, cautious respectable persons have withdrawn very much indeed; they do not absolutely give up their transactions, but just keep sufficient for it to be known that they are in existence. Others are going to a very great extent, carrying on a prodigious trade in exports and imports, to an extent far beyond what their capital justifies them in doing; there can be no doubt at all of that. These men may succeed; they may by some lucky venture get large fortunes, and put themselves right. That is very much the system in which a great deal of trade is now carried on. Persons will consent to lose 20, 30, and 40 per cent. upon a shipment; the next venture may bring it back to them. If they fail in one after another, then they are broken up;

up; and that is just the case which we have often seen recently; mercantile houses have broken up, without one shilling of property being left.

4617. Do you think that trade is not so steady as when you first remember it?—Certainly not. With regard to the rate of discount, when it was 5 per cent., you never had any doubt; no questions were asked; everybody knew the rate, and there was an end of it. You now make a bargain for almost every transaction, excepting that we, and bankers I believe generally, are guided by the Bank rate, and do not trouble ourselves about anything else; what the Bank charges we charge.

4618. If the plan which you suggest were in operation, country bank notes would be convertible into those notes?—Yes.

4619. Do you think that the country bank circulation is now in a satisfactory state?—I should think that it was quite satisfactory. I think there are between 200 and 300 country banks; their average circulation does not amount to 30,000*l.* each; that is a very small thing; I should have thought it hardly worth attending to. We allow these country bankers to deal in bills of exchange, which are said to amount, I think, to 120,000,000*l.* or 130,000,000*l.* A great many of these fall into the hands of country bankers; we allow them to use their own discretion and their own judgment, and we know that in general they are men who want to increase their income. They are not adventurers; though they are not wealthy men, many of them, yet they are all highly respectable, well-conducted men of business.

4620. Do you think it right that security for their issues should be given?—I should be puzzled to know why you should take security for their issues, unless you take security for the deposits as well; their issues form a very small amount indeed, compared with their deposits.

4621. If securities were demanded, they might be demanded, if the law permitted it, from the newly-established banks, and not from other banks?—Yes, if they chose to do it. It would appear to me, looking at it as a man of business, that it is rather imposing a restriction upon them, because if you take securities, you also compel them to find another security to meet their payments. If a man now issues notes, say at York, he must make them payable in York, and he must make them payable in London; then he must keep a stock in each place, to meet any demand to be made upon him, and, in addition to that, he would have to find security for his notes. I do not know how a country banker would receive the proposition, I am sure.

4622. He would give a double security for his notes?—Yes.

4623. And none for his deposits?—None for his deposits. I have asked several country bankers what they thought themselves of the proposition. It is very various; it depends upon their circumstances, and their position, and upon the locality. Very recently I asked a man about it; he said, "I will give security, if they like it. I do not care about it." In looking at the position of this gentleman, his circulation is about 5,000*l.*; he is a man who holds a very large amount of stock; he would transfer 5,000*l.* in a moment; it would be no inconvenience to him. He said, "I would rather not issue any notes, and I should not do it, only sometimes we are unexpectedly called upon, and it is convenient having our own notes by us, otherwise I try to issue as few as I can." To a man of that sort it is no object; he is in an agricultural district. I think that in Boston, where the circulation is 60,000*l.* or 70,000*l.*, a man would be very differently placed if you asked him his opinion. It depends very much upon the quantity, and a variety of incidents. A man who issues 60,000*l.* has to provide, of course, a large amount of money to meet those notes, whenever he is called upon; he would not say so readily, "I will give security in a moment, if I am asked." He would be satisfied to withdraw his issue; it would not much matter to the country bankers; it is a matter for the public more than for them. I should doubt whether they would trouble themselves much about it; because, if they did not like it, they would cease their issues, which would not be of very much consequence to them.

4624. Upon the whole, do you think that experience proves that about 20,000,000*l.* of active circulation is adequate to the country's wants?—I think so, from the returns which we have had in recent years.

4625. And you think that 20,000,000*l.*, receivable in taxes, and made a legal tender, would be perfectly secure from being discredited?—I think so; as I

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said before, I will not give a confident opinion upon anything which has not been tried, but it is quite my impression. I even think that 14,000,000 *l.* would do.

4626. You would suggest that those Exchequer notes, or those Bank notes, which were the legal tender, should be limited in quantity?—Yes.

4627. But the trade of the country would expand, and would require more circulation?—Yes.

4628. Do you believe that that would be sufficiently furnished by the country and other circulation being converted into those notes?—If they were permitted to do it.

4629. Would a foreign commerce be conducted with ease and security under such a system?—I should not think that foreign commerce would be in the least affected by it. I cannot conceive it.

4630. Gold and silver being always attainable in exchange for goods to settle balances with other nations?—Yes; they will always be exchanged; those who want silver and gold will always get it for Bank notes; you never find that a person refuses to give up his bullion for a Bank note.

4631. *Chairman.*] You recommend the issue of 20,000,000 *l.* of Bank notes not payable in gold on demand, but receivable by the Government in payment of taxes?—Yes.

4632. Do you understand that those notes would be issued by the Bank of England or by the Government?—I think it is perfectly immaterial. I should say by the Bank of England, on account of the completeness of its machinery. In order to avoid as much as possible violating the feelings of the people, with regard to that to which we have been so long accustomed, it would be merely altering the words, and inserting instead of "I promise to pay," something of the same kind as is inserted in an Exchequer Bill, "payable for receipt of taxes." It would of course be sanctioned by Government, but whether the notes were issued by the Government or by the Bank of England, I think would be very immaterial.

4633. Of course it would be necessary to omit the words, "I promise to pay," because those notes would not in fact be promises to pay on demand?—Quite so.

4634. What do you conceive to be the advantage of an inconvertible note of that kind over a convertible note payable to bearer on demand?—It would prevent a drain of bullion when it is required for foreign trade, and it would give us what is so very essential, a domestic currency which is not influenced by any foreign transactions whatever. If France or America wants a quantity of gold, it ought not to interfere with our domestic currency. Our merchants and all our trade surely should not suffer because America wants gold.

4635. Do you think that that currency would run the risk of ever being depreciated in value, that is to say, that inconvertible 5 *l.* notes would not exchange for five sovereigns?—I do not know as compared with sovereigns; that, I think, is of no consequence in the world. We want it for our internal commerce, and we want it to pay Government their taxes.

4636. How would you determine the value of a 5 *l.* note?—I do not want any value beyond its passing for 5 *l.* for taxes; whatever the Government demands from me as a tax of 5 *l.*

4637. Supposing this was the state of things, that a person would only give, say 1 *l.* for a 5 *l.* note, would it be, in your opinion, any disadvantage or inconvenience?—I cannot conceive the possibility of such a state of things as that.

4638. Are you aware of the state of things which existed in France at the time of the issue of the assignats?—Yes.

4639. Are you aware that the assignats were depreciated some 400 or 500 per cent.?—Yes.

4640. What do you conceive to have been the cause of that depreciation?—What I stated a little while ago, that a Government may issue in excess; it is very possible, and supposing it is a corrupt Government, they have the power of doing it; but such an institution as our Bank of England cannot do it, because they only issue against property, against something of equal value with their own notes, and we consider that the further value of their own notes is secured by the sanction of a well-established Government; that the guarantee of our Government, taking it as it is in England, is quite equal to 20,000,000 *l.* of gold deposited in a vault. I should be very sorry to think otherwise of it.

4641. I thought you said that you could conceive that it might happen that, under the system which you recommend, the 5 *l.* note would not exchange for five

five sovereigns?—That, I think, is not material. A Bank note, I conceive, is convertible into everything. If you wanted to convert it into gold you would go to a bullion merchant, and he would give you the market value in gold as he would in any other commodity; it might be more or it might be less than five sovereigns.

4642. What do you conceive to be the advantage of making those inconvertible notes receivable in payment of taxes?—The advantage is, that it keeps them at a steady price. I go by experience, and I am looking at the 20 years when we had no gold.

4643. If you make these notes receivable in payment of taxes, is not that a violation of the principle of inconvertibility?—No, I conceive not.

4644. You compel the Government to take one of these 5*l.* notes for a sum of five sovereigns, do you not?—For five pounds. If they tax me, they do not say, We require you to pay five sovereigns, but five pounds; it is a term of account, and I give them five pounds.

4645. Then you think that a pound is something independent of the value of the gold which it represents?—Quite; we had the term "pound" in account, when we had nothing to represent it; it is only recently that we have had the sovereign which represents the pound.

4646. Do you think that a pound then meant a piece of paper with certain words printed upon it?—It had a superscription, which gave it a value in the country, payable for all taxes.

4647. Then your view of a pound is, that it is something quite independent of any value in metal?—In gold; as completely now as it was in the early part of my experience.

4648. And you think it desirable that a currency should be established upon that principle?—I would have it established upon that principle; but as I have stated, if there can be any amendment suggested it will be very desirable.

4649. Mr. *Hildyard.*] You described the Act of 1844 to be the harvest of the bankers, did you not?—Yes.

4650. We will assume a London bank of the first credit and capital; will you describe practically how a London bank of the first capital and credit would make its profit out of a crisis like that of 1847?—I do not go into the crisis of 1847, but I go up to the present period; it makes the difference of charging 6 or 7 per cent. instead of charging 3 or 4.

4651. Might not such a bank also make a profit out of a crisis by buying property which was depreciated by the crisis?—It might.

4652. Was not there a very sudden fall in funds upon that occasion?—Yes.

4653. A banker upon that occasion would make a good profit by buying the funds so depreciated?—Yes, he might; but it is not much the practice of the bankers to do that, I apprehend; they may do it occasionally, no doubt, and if they have a surplus capital, it seems a fair thing to do; but I am looking at the regular common traffic of a banker. There is no mystery about its increasing his profits now compared with what they were two or three years ago.

4654. Because you think that it has had a tendency to cause a higher rate of discount?—We know that it has.

4655. Mr. *Cayley.*] You have been asked how you determine the value of a 5*l.* note; how do you determine the value of a sovereign?—I determine it by what it will produce to me, and I always find that a Bank note will produce quite as much as a sovereign. Some subtile questions may arise upon it; but I never found any difficulty in practice in converting a 5*l.* note into anything that I wanted.

4656. What do all these different variations in the rate of discount mean: in your opinion do not they mean changes in the value of the sovereign?—All of them must affect the value of the sovereign, the same as anything else.

4657. Then the present system does not exempt you from variations in the legal tender?—Not at all.

4658. Your belief is that the 20,000,000*l.* of legal tender paper, from not being removable by export to other countries, would give you a more uniform value of the legal tender than you now possess?—More uniform and more steady, a great deal.

4659. And that is your reason for suggesting it in preference to one which produces such great oscillations?—Yes.

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4660. What is the object of convertibility, in your opinion?—The object of convertibility, I conceive, is to get in possession of any one thing which I can possibly require, whether it is gold, or a horse, or broad cloth, or anything; and I find that a note is as easily convertible, and I conceive that it always will be as convertible as long as it has the sanction of a stable Government.

4661. Do you not believe that the object of convertibility is, that if you part with any property for the legal tender, that legal tender shall furnish you with as much property in return as you part with?—Quite; it is merely the medium of exchange.

4662. And do you believe that with the legal tender which you suggest, you would have more confidence that it would be of the same value in December as in January, than under the present system?—Quite so; it would keep the same relative value with everything which you required to purchase or to sell.

4663. And you have suggested the amount of 20,000,000 *l.* only because upon experience you have found that 20,000,000 *l.* of Bank notes have been kept at par with gold?—Quite so. There is no reason for fixing the arbitrary sum of 20,000,000 *l.*; but it seems that when there has been 20,000,000 *l.* of circulation, we have gone on well.

4664. What you mean by your suggestion, I presume, is, that having ascertained the amount of paper which would at all times be at par with gold, according to experience, you would fix upon that limit, and you have a belief that it would preserve a more uniform rate of money than we now possess, because not liable to exportation?—I have very little doubt of it, but always with the condition, that it not having been tried, I should be unwilling to speak confidently; it is, however, quite my impression.

4665. All the object which you wish to possess in a legal tender is, that it should preserve as far as possible a uniform purchasing power?—Yes, and a steadiness of character.

4666. You have been asked about the pound of account; do you remember how the pound arose; what it was originally?—A pound of silver.

4667. Is it a pound of silver now?—No, certainly not; it is varied.

4668. Then, if it is not a pound of silver, what is it but a pound of account?—I have no idea what it can be otherwise, fairly and properly.

4669. Do you remember the changes which have taken place in the pound since it was first instituted here?—Yes.

4670. Do you remember that, in the time of Edward the First, it was made 20 *s.* 3 *d.*?—Yes.

4671. That, in the 18th of Edward the Third, it was made 22 *s.*; and in the 20th of Edward the Third, it was made 22 *s.* 6 *d.*?—Yes.

4672. That, in the 27th of Edward the Third, it was made 25 *s.*; and that, last of all, after undergoing a great many changes, in the 56th of George the Third, it was made 66 *s.*?—Yes.

4673. Were not all those alterations of the pound made by Act of Parliament or Government?—To be sure they were.

4674. Mr. *Wilson.*] You think that there is no intimate connexion between the value of a pound and the value of a sovereign?—Not at all.

4675. You say that a 5 *l.* note ought always to purchase the same quantity of commodities as five sovereigns?—No; I do not know that it will do that, because I should look then upon sovereigns as so much bullion; we should have nothing to do with them; they might be of less or more value than a 5 *l.* note, comparing it with gold.

4676. I understood you to say just now that the 5 *l.* note was always of equal value with five sovereigns?—No; it will produce as much now as five sovereigns, but it will be subject to variation.

4677. You mean, that at the present time it produces as much as five sovereigns?—At the present time, but it will vary: the sovereigns themselves vary as much as the note does.

4678. Have you ever known a time since 1819, when the 5 *l.* note has produced less or more than five sovereigns?—No.

4679. Have you ever known a time, since 1819, when five sovereigns and a five pound Bank of England note were not identical?—No.

4680. Did you ever know any time, before 1819, when guineas were sold for more than 21 *s.*?—Yes, light guineas were.

4681. Heavy

4681. Heavy guineas were sold as high as 27*s.*, were not they?—No; I should think they were not sold at all; it was light guineas only that were sold; it was illegal to sell heavy guineas.

4682. Are you not aware that during the war there was a great contraband trade in gold?—Yes; it was bought up by Government, who thus created a scarceness of gold; and when the supply was limited, the price necessarily rose.

4683. Are you not aware that during that time a guinea, representing 21*s.* of money in account, was worth as much as 27*s.* or 28*s.*?—Yes.

4684. But you have never known any discrepancy, since 1819, between the value of a sovereign and the value of a pound?—No, I do not call to mind any; I have never had any occasion to look at it, but I am not aware of any; I know that the light sovereigns were traded in to a great extent.

4685. Suppose that a man contracts a debt with another, and promises to pay him at the end of a year, a debt of 10*l.*, and suppose that, under your proposed regulations, at the beginning of the year a 10*l.* note, and the 10 sovereigns are of identical value, but that at the end of the year the 10*l.* note and the 10 sovereigns are not of identical value, but that the 10 sovereigns have become worth 12 *l.* of money in account, with what would you pay the man?—With the Bank note, if it was a legal tender. I have nothing to do with the sovereigns; I quite exclude the sovereigns from it. You are making the gold to be the measure of value; now I do not want to measure it by anything.

4686. Did you ever send gold to the Mint to be coined?—Yes.

4687. You weighed your gold before you sent it, and ascertained the exact number of ounces which you sent, I suppose?—Yes.

4688. When you got it back, how did you ascertain whether you got the proper number of sovereigns as representing your gold?—By counting them.

4689. You must make a computation; suppose you send 100 ounces of gold, how would you be able to know the number of sovereigns which you ought to get back for your 100 ounces of gold?—We did not compute, we took the Mint as being correct; we took whatever they sent us, and found it correct; we never made an estimate of it.

4690. You say that you counted the sovereigns?—Yes.

4691. Suppose you send 100 ounces of gold, if you count the sovereigns to ascertain their accuracy, I suppose you must expect, in counting them, a certain number of sovereigns?—Yes.

4692. By what rule do you determine the number?—We have no rule to determine them; we sent 10,000 *l.* of gold to be coined.

4693. What do you mean by 10,000 *l.* of gold?—The produce of 10,000 *l.* in Bank notes.

4694. But when you sent it to the Mint, you weighed it, to ascertain its precise weight, did you not?—Yes.

4695. You ascertained the precise number of ounces which you sent to the Mint?—Yes.

4696. And according to the number of ounces sent, you expected to receive a number of sovereigns in return?—Yes.

4697. How did you determine the number of sovereigns which you were to receive in proportion to the number of ounces which you sent?—That is not the system which we went upon. I can tell you how it arose. There was a great deal said in the House of Commons some years ago about the delays at the Mint, and merely as an experiment, we went into the bullion market, bought 10,000 *l.* of gold, gave 10,000 *l.* in Bank notes for it, and then sent it to the Mint to see whether there was any profit or any loss; it was more for curiosity than for anything else, for a good deal had been said in the House of Commons about the negligences of the Mint; we said, for so much gold we get so many sovereigns back, and I recollect when we came to reckon the interest, we cleared about 2½ per cent. upon it as profit.

4698. In what year was that?—I do not know when it was. Two or three years afterwards some gentlemen in the House of Commons moved for a return of all the money that had been coined by individuals, and by the Bank of England, and I was very much surprised to see, supposing that many others might have done the same as we did, that "Spooner and Company 10,000*l.*" were the only private parties who had sent anything into the Mint.

4699. Was it since 1819?—I should think it was about that period.

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4700. Was it after the resumption of cash payments?—Yes, I know that we were the only parties who sent in, and we did it just to satisfy ourselves, to see what the system was. We sent a certain amount of gold which we debited to the Mint, and we gave them credit for so many sovereigns, and upon that transaction, I remember perfectly well that we cleared 2½ per cent.

4701. How much money did you expect for every ounce of gold that you sent?—We never troubled ourselves the least about that, we never thought of such a thing.

4702. Then how did you ascertain that you got 2½ per cent. profit?—We kept an account, we debited the Mint with 10,000 *l.* of gold, and we credited them with the number of sovereigns which we got back, and when we charged the interest we found that we had as many sovereigns as gave us 2½ per cent.

4703. Suppose that you received from a person abroad 100 ounces of gold, and that he requested you, his bankers, to send those 100 ounces of gold to the Mint, and to get them coined, and place the money which they produced to his credit, in account, you would send 100 ounces of gold; by what means would you ascertain how much money you should receive for them and place to your customer's credit?—By what they gave us back.

4704. You would take just what they sent you?—Precisely.

4705. Without any test of its accuracy at all?—Quite so, because we should know within a trifle; we know the value of gold and whatever they gave us, we should credit the party with.

4706. Mr. *Cayley.*] In point of fact, was not gold bought in that way during the French war?—Yes; there was no other way of purchasing it then but by bank notes.

4707. When you suggest these 20,000,000 *l.* of legal tender notes, in the place of gold, do you do it with the view of preserving a more uniform measure of value than now exists?—Quite so.

4708. You are dissatisfied with gold, because it is not a steady measure of value; is that so?—Quite so, and it must be variable.

4709. You do not recommend the Bank notes to be issued without limit, do you?—I should not be at all afraid of it, because I go by the experience of former times; they were issued without limit, and we find from the various committees which there have been upon the Bank of England that they all speak of the discretion and judgment with which the Directors have always managed their issues.

4710. You have no doubt of the discretion of the Bank of England?—Not at all.

4711. But you now suggest, not the system which existed during the French war, but a limited amount of paper?—Exactly.

4712. If 20,000,000 *l.* of Bank notes could issue now at par with gold, do you believe that if there were 16,000,000 *l.* only of legal tender instead of 20,000,000 *l.*, that 16,000,000 *l.* of legal tender would be more valuable than the 20,000,000 *l.* of legal tender, taking the last two or three years, that it would purchase more commodities?—No, I do not know how you could compare it very well.

4713. If 20,000,000 *l.* is the amount required for commercial transactions as the legal tender, and it is maintained at par in consequence of its convenience for the necessities of commerce, would a less quantity, do you suppose, be more valuable, and command a larger amount of commodities?—If it was limited to 16,000,000 *l.*, if there was no issue besides, it must be.

4714. It would be of greater value?—Yes.

4715. Then, you believe that the paper, if a legal tender, is affected in value by its amount as much as any other article of commerce?—I think that is one of the advantages of paper; by a judicious regulation, you may make it more safe, more sound, more convenient for the welfare of the country, and for the energies of the country, than anything which is dependent upon barter.

4716. And you can give to the public in their legal tender a more uniform purchasing power?—A more uniform and a sounder currency for any practical purpose whatever.

4717. You have been asked whether you have observed any discrepancy between the Bank note and the sovereign since 1819, and you have stated that you have not?—Yes.

4718. But you have observed, have you not, during that period, very great distress

distress in consequence of the struggle to obtain convertibility?—Frightful distress, at different periods.

4719. We may gather then, from your examination, that your object in your suggestions is to obtain for the public a greater security for their legal tender, and to preserve a more uniform value of money than has hitherto existed?—Exactly.

4720. You consider that that uniform rate of money is a thing that is quite within the power of possibility?—I should think it must be; I cannot conceive that there is not sufficient sagacity in the country to arrange a perfectly safe and sound system of that kind.

4721. You think that such a system would be better for trade, but worse for the banker?—Quite so.

4722. Mr. *Glyn.*] If I understand your plan rightly, it is this: that you would have two species of circulation, namely, a certain amount of legal tender issued either by the Government or by the Bank, and that you would also have another part of the circulation issued by the Bank Directors or by the Government upon bullion, but that bullion not to be fixed, as it is by the Act at present, but to vary?—Yes.

4723. Mr. *Spooner.*] You would have that payable in bullion?—Yes.

4724. Mr. *Glyn.*] And, of course, issued by the Bank according to the varying rate of bullion in the market?—Exactly so.

4725. Mr. *Spooner.*] What is your opinion of the effect of the letter issued by the Government in October 1847?—The effect of that letter we well know was to relieve the pressure instantly.

4726. What would have been the effect if that letter had not been issued?—The effect must have been either that the Bank of England must have taken upon themselves to have violated the Act, or there must have been one of those convulsions in society which one cannot describe and cannot imagine: it must have been a thorough breaking up of society. What shape it might have assumed it is impossible to state.

4727. Do you ever recollect such a crisis as that during the time of the inconvertibility of the note?—Nothing of the kind; never.

4728. Then you attribute that condition to the effect of the Act of 1844, which compelled the Bank to limit their issues by the amount of bullion which they had in their possession?—Entirely.

4729. And without regard to whether it was an internal drain or an external drain, they had no discretion whatever in the issue of their notes?—None at all, without violating the Act.

4730. Is it your opinion that the distress then was greatly aggravated by the full conviction which there was in the country that the Bank were coming to a point at which they would be obliged to stop?—There was a very great demand for money indeed at that time.

4731. And the demand then was not for gold, but for Bank notes, to enable persons to discharge their transactions?—Certainly; there never, that I am aware of, was any mistrust of the Bank note; it was the notes they wanted; not gold for their notes.

4732. Was not that demand upon the Bank greatly aggravated by persons hoarding their Bank notes for fear that days were coming when they should not be able to get them?—I dare say it would be so; but that hoarding comes as a necessary precaution, for every banker at such a crisis as that is sure to provide himself with more notes than he wants; he must pursue the path of safety; directly that danger is gone, then the Bank notes are poured out; that state of things must necessarily arise in a time of great scarcity. There was an advantage before 1815; by practice you always knew what your customers required to a very great nicety; in such times as these you cannot tell, and everybody must provide himself with more Bank notes than he is likely to want; we do not like to subject ourselves to the chance of being unduly called upon.

4733. If the plan which you recommend was adopted in the case of a great demand for bullion to pay for corn, would not that plan prevent the Bank being brought into the crisis in which it was in the year 1847?—Entirely; the demand for bullion would then have nothing to do with the pressure on the Bank; it would not stop the importation of any quantity of corn, I feel satisfied; gold being then just like any other mercantile commodity, the merchants, if they found it their interest to bring corn, would bring it.

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4734. And the gap which is created in the circulating medium by sending bullion out to purchase corn would be filled up for the time by the inconvertible note till the exchange is turned, and then gold would naturally flow in?—Yes, it would naturally flow in just as any other commodity.

4735. But the Bank note, if issued entirely by the Bank upon the Bank's own responsibility, you would still keep liable to be paid in gold; you do not want to make any change in that?—Not at all.

4736. There would be no necessity for it?—None whatever.

4737. There are notes to the extent of 14,500,000*l.* now issued upon securities?—Yes.

4738. Do not they, upon the face of them, bear a promise to pay on demand?—Yes.

4739. Supposing the demand was to extend to them, and to pay upon that 14,500,000*l.*, would they be able to be paid?—No, they would not be able to be paid; but the country is now put in such a position that they cannot demand it.

4740. Then paper is issued which is not capable of being paid on demand, but it is done in the confidence that the country would be in such a state before that demand could be made that it would be utterly impossible for the country to demand it?—Yes, quite so.

4741. Then it bears upon the face of it a fallacy, just as much as an inconvertible note?—Yes, just the same. Therefore I think it would be only the fair and judicious and honest course to take, that those notes should bear an impress upon them of what they were intended to be.

4742. You therefore recommend that those notes instead of being issued upon securities, and pretending that they are issued on gold, should bear upon the face of them that they are issued upon securities, and you would recommend that those notes so issued upon securities, should be made a legal tender?—Quite so.

4743. And whether the amount should be 14,000,000 *l*, or 20,000,000 *l.*, is a question upon which you do not give a positive opinion?—Not at all.

4744. But your experience has shown you that when there was a steady issue of about 20,000,000 *l.*, the trade was carried on steadily and prosperously in the country?—Yes; that is why I say 20,000,000 *l.*; but it is quite possible that 14,000,000 *l.* would effect a great deal; that is a matter which experience only can decide.

4745. You have stated that the Act of 1844 is not found fault with by the capitalists at all, as far as they themselves are concerned?—Not at all.

4746. But that it is found fault with by them, because they see that it is inflicting great distress and evil upon the country at large?—Quite so.

4747. The Act of 1844 enables you, in point of fact, to make 7 or 8 per cent. of your capital, instead of 4 or 5?—Quite so.

4748. But, judging from what you have seen of its effect upon the country, you consider that it is undermining the real prosperity of the country?—Yes; very much.

4749. It is stopping the energy of the people?—Quite so.

4750. Are you aware of any works which would be plainly profitable and advantageous to the country, having been stopped entirely, from the danger of not being able to procure a sufficient quantity of the circulating medium to carry them on to completion?—I do not know anything that I can refer to; we frequently hear of such cases. We have heard in the metropolis, during the last winter, how much building has been stopped; that is amongst one class; we know that they are obliged to get their bills discounted; the facility of discount being stopped, the works cease, and that throws all the men out of employment. Whether it is for good or bad, that these people should trade in that way, I do not know, but I understand the fact to be as stated.

4751. It has been stated before this Committee that, in the case of a great demand for corn, if the issues are properly regulated, 40,000,000*l.* worth of provisions may be brought in by a loss of not more than 4,000,000*l.* of bullion from the Bank; do you think that possible?—I cannot go through the workings of such a problem at all; I cannot see the way in which it can be done, but the importation of corn, I have no doubt, would come in without at all affecting our domestic currency, if we had a judicious currency. If you want any commodity whatever, set the merchants to work, and if it is to be found in the world, they will get it; it is no question how they pay for it.

4752. You

4752. You mean, without affecting an inconvertible currency?—Yes.

4753. But it would produce a great effect upon the currency in its present state?—Yes.

4754. With the currency in its present state, what do you think would be the effect of a very large importation of corn?—It would bring us into the same dilemma as we have been in before; it might be to the same extent as in 1847 or not, but it must have a tendency that way.

4755. And any regulation of the issues founded upon the principle of stopping the bullion going out of the country would necessarily be stopping corn coming into the country?—Yes.

4756. You could not do the one without the other?—Of course not.

4757. Mr. *Vance*.] I think you have stated that the inconvertible currency which you recommend would not fall to a discount as compared with gold or the convertible currency which would exist with it?—Yes.

4758. Do you not think that the convertible currency and the gold would rise to a premium as compared with the inconvertible currency?—In my opinion, not; it is a thing which you can only test by trying: my impression would be, that it would not, but if it did I see no harm in it.

4759. You say that the inconvertible currency would be used for the internal circulation?—Yes.

4760. Would not the convertible currency be used for internal circulation as well as for shipment abroad, to pay for goods, or to regulate the foreign exchanges?—Perhaps less for internal circulation.

4761. Do you not think that the double demand for the convertible currency and the gold, as compared with the single demand for the other, would make the former more valuable, and send it to a premium?—I should very much doubt whether it would.

4762. Mr. *Spooner*.] But should there be a difference between the two papers, one bearing a premium and the other a discount, do you consider that there would be any very great evil arising from it?—Not the slightest.

4763. Nothing to be compared with the evils which we feel when gold leaves the country under the present currency?—No. Upon an untried thing we cannot speak with great confidence; but I should have no idea of the least inconvenience if there were two prices, which I should very much question.

4764. You have been asked about the French assignats; is not the difference between the currency which you recommend and the assignats just this, that the Government are bound to take back whatever they issue?—Precisely; and that makes all the difference.

4765. And, with the French assignats, they refused to take back what they had issued?—Yes. A corrupt government may commit such an excess as they did in France, where the amount of their assignats was, if I remember right, about 300,000,000*l.* sterling; they could not receive them back; they could not get their taxation, on account of the revolution which was going on, therefore the assignats fell to nothing. I do not know whether it may be proper to mention it, but in my recollection we always used to pay the duties in Exchequer bills; it was a practice with us for several years; I have bought thousands of them; it was always a rule with us, supposing we had 10,000*l.* to pay to the Excise, to buy bills when they were at 2*s.* discount; that was 1*s.* for the brokerage, and 1*s.* which we got by it; it just paid us for the trouble of doing it. That always kept the Exchequer bills from falling to a ruinous discount. At that time they were payable at three months after their date, then it was altered to 12 months, which precludes them from being paid in for taxes. If the former practice was in existence now, Exchequer bills could never have arrived at the depreciation which we have seen.

4766. At the time you mention three months after the Exchequer bills had been in circulation, any person having moneys to pay into the Exchequer might tender those Exchequer bills in payment?—That was the rule.

4767. And that, in point of fact, gave such a character to the Exchequer bills that you might always be sure that you could not invest wrongly in Exchequer bills?—Yes.

4768. What is the effect upon the Exchequer bill market under the present system?—There is nothing which we possess so similar to the French assignats as our Exchequer bills. Government issue a paper and will not take it back themselves

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themselves for taxes; that approaches nearest to the French assignats, though it is perfectly safe by being paid in a twelvemonth, but in character it is just the same except for that; that was the character of the assignat; the government issued it, and would not receive it back again.

4769. You recollect perfectly well the distress which was occasioned by the Act of 1819?—Yes.

4770. And you recollect also that the distress was so great, that in the year 1822 several measures were brought forward for the purpose of correcting the distress, and it was alleged that the distress had arisen from the too sudden contraction of the issues of the Bank of England?—Yes.

4771. What was the effect of the increased issue again of the convertible paper; was not that the cause of the panic of 1825?—Quite so; there was a large issue, in order to relieve the distress, which gave a short-lived prosperity; then that was withdrawn again, and then came the panic of 1825.

4772. It created a speculation in 1825, and was then withdrawn?—Yes; it was a sort of see-saw.

4773. Do you recollect the nature of those measures which were brought forward?—Yes, very well.

4774. There were three measures brought forward?—Yes. The distress was so great that, as I dare say you recollect, a body of those fine stout fellows, the colliers in Staffordshire, borrowed a waggon and filled it with coals to bring them up to the Prince Regent; they got as far as Worcester; some gentlemen there or at Evesham, I think, stopped them, thinking that it would lead to an outbreak if they reached London; they were coming up in despair, and had loaded the waggon, and dragged it so far on the road to London; the distress was cruel at that time.

4775. Do you recollect the measures then brought in by Lord Castlereagh, and the grounds which he laid for bring them in in 1822?—It was at that time, I think, that Lord Liverpool stated that the distress arose from having superabundant crops.

4776. That was in 1821?—He stated that it was that abundance which led to the distress, and to relieve that distress it was said, that there was as much as 5,000,000 *l.* issued by the Bank of England, either in one or two days; it was then also that the circulation of 1 *l.* notes, I think, was extended till the 1st of January 1833, in order to remove the pressure arising from the circulation being contracted by means of the country notes being called in. Then things recovered again, and there was another Act which shortened the time. I think it was on that occasion that the distress was so great that the late Mr. Huskisson said he did not approve of the measure, but he should support it in order to revive the dormant spirit of speculation in the country.

4777. Because that speculation had been checked too suddenly?—Yes.

4778. Then the whole result of your experience is this, that since you have had a convertible note only there have been continual struggles between prosperity and adversity; that when adversity has got so deep that the Government have been obliged to come forward to relieve it, it has created a false prosperity only to make that adversity return again with greater force?—That is my experience of the facts.

4779. And it is to correct that state of things that you recommend the plan which you have laid before us?—Quite so. I think you will find that some of those wild schemes, for instance, the American mines, started immediately after one of these violent issues of paper; after that, the South American loans, all following some of those rapid issues which were not called out by the legitimate wants of trade.

4780. And you believe from your experience that if such an issue of paper takes place as you have recommended, upon the foundation which you have recommended, the country will not be exposed to these violent fluctuations?—I cannot see how it can be possible.

4781. Mr. *Puller.*] You have stated to the Committee that the Act of 1844 has worked advantageously to bankers and capitalists, by enabling them to make greater interest upon their money than they did before?—Yes.

4782. What has been the general rate of interest for the last year or two?—7 per cent., I think, has been the highest; at this moment it is 5½.

4783. You speak of the Bank rate?—Yes.

4784. What

4784. What was the general rate of interest before the Act of 1844? You cannot quite take the Bank rate then, because they never went below 4 per cent., did they?—Yes, I think they did.

4785. They never went below 4 per cent. previously to that time; what was the general rate of interest for the 10 years before 1844?—I really do not know; the tables show; I thought that there had been a great many fluctuations.

4786. What was the average rate of interest for the 10 years before 1844, compared with the 10 years since?—I should think it was about 4 per cent.; I know that it was 4 per cent. for a good while.

4787. Are you aware that for 11½ years since 1844 the Bank rate of interest has been below 4 per cent.?—Yes, I should think it had.

4788. In point of fact, during a good many of those years it has been as low as 2½ per cent.?—Yes, lower than that.

4789. Two per cent.?—Yes, I think so.

4790. If, upon the whole, the rate of interest during the last 10 years has been less, or at all events not greater, than it was before, can you say that the Act has given any great advantage to the bankers and capitalists?—I should say it has.

4791. In what way?—This low rate of interest operates against bankers, it is true, but I should have very great difficulty in explaining to you, unless I could have the pleasure of showing you the books, how much higher the profits are now than they used to be formerly. When interest is low, from excessive issues, we have large deposits; when interest is high, we get the advantage in that way.

4792. At this moment?—At this moment they are high.

4793. The last year has been perhaps rather exceptional?—We will take the average. Say that 4 per cent. is a fair average; bankers would never complain of that; they think it a very fair rate, and would be perfectly satisfied with it. When it rises beyond that it operates very well indeed for them.

4794. You cannot take one year by itself, can you, as a sample of the whole effect?—No. It is always the case when money is at a moderate rate, that we have more demand for it; we lend more; it operates in that way. When it gets higher we get more than a fair proportion for it; we get more than we ought to do.

4795. Do you mean to say that you lend more money when interest is low than when it is high?—Yes; we have more money to lend. All bankers have more money to lend when the interest is low.

4796. You have explained the plan of having a fixed amount of 20,000,000*l.* of inconvertible notes, and of having an unlimited amount of convertible notes at the same time?—Yes.

4797. Both of them to be put out by the Bank of England?—Yes.

4798. Do not you suppose that the Bank would put out all their inconvertible notes before they put out any convertible notes?—If they were wise they would; it would be the proper course for them to pursue.

4799. Then we should have a currency consisting of a limited amount, say 20,000,000*l.* of inconvertible notes and an unlimited amount of convertible notes, which would fluctuate according to the demands for gold and silver?—Quite so.

4800. Then the whole amount of the currency made up of the convertible and the inconvertible notes would be subject to just as much fluctuation as it is now, when it is made up altogether of convertible notes?—I cannot possibly see that. The inconvertible notes would secure an adequate circulation, and would render a panic almost an impossibility.

4801. The whole currency being made up of the convertible and the inconvertible notes, if either of those parts is subject to fluctuation, the whole amount is subject to fluctuation, is not it?—I think there would be very little fluctuation with the inconvertible notes.

4802. Mr. *Cayley*.] There would be no alteration, in point of fact, in the 20,000,000 *l.*, but if there was any amount issued besides upon gold, there would be a fluctuation upon that small quantity?—There might be.

4803. The fluctuation now takes place upon the whole 20,000,000 *l.* which is out?—Quite so.

4804. It would then only take place upon the small amount issued upon bullion?—Exactly.

4805. And, inasmuch as the Bank could, as a fact, decrease its circulation, in all

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all probability there would not be more than the average of 20,000,000 *l.* still circulated?—Most likely not.

4806. Therefore there would be very little of that portion which was convertible, and, consequently, liable to fluctuation, in circulation?—Very little; and it is a question whether there would be any alteration in value in it.

4807. You are willing to put the amount of inconvertible notes at 14,000,000*l.*; you do not care about the quantity so long as it does not exceed the quantity which has been in active circulation within the last 12 or 14 years?—Just so.

4808. Mr. *Puller.*] Does not it come to this, that if you put the limit of your inconvertible notes at 14,000,000*l.*, according to the experience which we have had for some years past, your circulation will have precisely the same amount of fluctuation which it has had; if you put it up to 20,000,000*l.* or 22,000,000*l.*, no doubt there will be a limit to that fluctuation, because it will never fall below the 20,000,000*l.* or 22,000,000*l.*?—Then are you not assuming that the Bank of England are to issue any amount of these notes?

4809. You said that they were to be unlimited?—It would be a very desirable thing to prevent the Bank of England being compelled to buy all the gold which comes in, because, as we have seen, you force them to issue 20,000,000*l.* of notes into circulation; you force them to issue more than is wanted; then that produces those wild speculations which have led to so many disasters. I do not see any occasion for compelling the Bank of England to be a warehouse for all the gold which comes into the kingdom; let them use their discretion, and take just as much as is wanted for their own use, and for the use of the community, which they must judge of; their experience will be better than fixing any amount.

4810. Mr. *Hildyard.*] You have told us, as we are aware, that the profits of some of the joint stock banks have been very great indeed, varying from 15 to 25 per cent., or perhaps more; can you explain to me out of what those profits have arisen; I do not mean minutely; can you state how it is that such very large profits have been made with the rate of interest so low, as we have been told that it has been on the average during the last ten years, namely, something below 4 per cent.?—No; that is a mystery which I cannot solve.

4811. Do you imagine that joint stock banks lend to tradesmen at very exorbitant rates?—They may sometimes charge high rates.

4812. I mean at rates much higher than the Bank of England rate, for instance, at the same time?—I do not know that I should say that I am aware of many which do so; now and then a case comes before me where I know that they have charged very high; perhaps one or two per cent. beyond what I think any private banker would do; but probably the risk might justify it.

4813. If they have only exceeded the Bank rate by one or two per cent. in individual cases, and if four per cent. for the last 10 years has been the average of the Bank rate, I want to know how the joint stock banks have been making a profit of 25 per cent.?—That I do not know; they have some advantages from their great capital. Now and then instances may occur, of large profits from extensive transactions, but whether to an amount to produce such a large dividend I do not know.

4814. I am quite aware that they have an immense amount of deposits, but they pay a very high rate of interest upon those deposits?—They do.

4815. Therefore there is only the difference, as far as the profit upon their deposits goes, between the rate at which they lend money and the rate at which they borrow it?—Yes; but they have some advantages from their immense capital. I can call to mind one instance in which a gentleman was in difficulties. He goes to a private banker and says, that he wants, perhaps, a loan of 200,000*l.* to extricate him; he offers a perfectly sound security, and he is a very wealthy man. The private banker declines it. He goes to a joint stock bank—this is at a time when money is at from two to three per cent; they will lend him the money, charging him six per cent., and getting an addition to their accounts. No private banker would do that; that is a large source of profit. They are perfectly safe, I have no doubt; it may be 20 or 30 years before they get their money back, but that is no object to them; all that time they are getting this high rate of interest. That is only one solitary case, it is true.

4816. The Bank of England have always an immense amount of deposits?—Yes.

4817. And

4817. And I think they pay nothing to the depositors, do they?—No.

4818. But the profits of the Bank of England are nothing like those which we are speaking of?—Not at all; the joint stock banks pay a very high rate of interest to their depositors. You cannot tell without having access to their accounts what they are; but it does seem very prodigious.

4819. Do the Bank of England, as far as your experience goes, give any peculiar privileges to persons who keep their accounts with them?—No, none whatever.

4820. They do not show any favour in discounting bills with respect to merchants who keep accounts with them?—It used to be their custom always to require the party to keep an account with them; indeed, the same as other bankers; no other banker discounts, except for a customer, and it is the case with the Bank.

4821. I apprehend now the Bank of England discount for parties who do not keep accounts with them, do they not?—I cannot speak confidently; I think I have heard that they occasionally do; I am not aware of it, but I think I have heard that they have done such things recently; it used to be the practice always to require parties to open an account if they discounted.

4822. That is to say, it used to be their practice never to discount bills for parties who had no account with them?—Exactly.

4823. You do not know how that stands at present?—I do not; I have an impression that I have heard that they have departed from that practice sometimes; whether it is a rule now I really do not know.

4824. Mr. *Vance.*] But the keeping of that account is a nominal thing; the Bank of England do not require parties to have a considerable deposit in order to grant them the amount, do they?—Not at all.

4825. They are satisfied with a deposit of 5*l.* or 10*l.*, are they not?—They have altered their system; it used to be the rule with them that they seldom opened an account, unless they had a deposit of 500*l.*; it was a nominal thing, because you paid them 500*l.*, and might draw it out the next day and leave nothing; they never troubled themselves about it.

4826. Mr. *Hankey.*] Do you know that from your own experience?—It used to be the case years ago.

4827. I think your answer would lead to the inference that it is the present custom of the Bank of England that a person need not keep more than a nominal balance in his account; I infer that from your answer. Is that the case from your own knowledge?—No, not from my own knowledge, but I have no doubt of the fact; it is the case with any banker; it is the case with us.

4828. You are not aware that that is not the custom of the Bank of England?—No, I do not at all know.

4829. Mr. *Vance.*] Do you know the custom of the Bank of England as regards their country branches?—Not in the least.

4830. You are not aware that at the country branches they would keep an account for anybody, discounting his bills, and being satisfied with a deposit of 5*l.* or 10*l.*?—No; I do not know anything of their country branches.

4831. Mr. *Glyn.*] In the business of the Bank of England, in the Government funds, does your experience, and I can appeal to no man of greater experience than yourself, agree with mine that nothing could be done better than that is done generally for the public and for the bankers?—I think nothing could possibly be better; indeed, in everything connected with the Bank the machinery is excellent, and they spare no expense whatever in accommodating the public. Nothing could be better, I should say.

Martis, 21° *die Julii*, 1857.

MEMBERS PRESENT.

Mr. Ball.	Mr. Puller.
Mr. Fergus.	Mr. Martin Tucker Smith.
Mr. Gladstone.	Mr. Spooner.
Mr. Glyn.	The Chancellor of the Exchequer.
Mr. G. A. Hamilton.	Mr. Tite.
Mr. Hankey.	Mr. Weguelin.
Mr. Hildyard.	Mr. Wilson.

THE RIGHT HON. THE CHANCELLOR OF THE EXCHEQUER, IN THE CHAIR.

David Barclay Chapman, Esq., called in; and Examined.

D. B. Chapman, Esq.

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4832. *Chairman.*] ARE you the managing partner in the house of Overend and Gurney?—I am.

4833. How many years have you been in that house?—I have been in that house, altogether, rather more than 40 years. I came in in 1817.

4834. Have you taken an active part in the concerns of that house during that period?—Yes, throughout almost the whole of that period.

4835. You have had occasion then for many years past to watch the proceedings of the money market?—It is my immediate business.

4836. I need scarcely ask whether the business of your house mainly consists of discounting commercial paper?—It does.

4837. Your transactions I think are on a very large scale?—They are.

4838. Have you paid particular attention to the causes which regulate the rate of discount in this country?—Certainly.

4839. Is it your opinion that the rate of discount for mercantile paper is regulated to a great extent by the Bank rate, or, on the other hand, that the Bank rate of discount is itself dependent upon the general market rate?—I think that each affects the other; the market rate certainly is affected by the Bank rate, and the Bank rate is also, at times, affected by the market rate.

4840. In what way do you think that the Bank Directors have a power of influencing the general rate of discount, merely by fixing the amount?—When the demand for money is so considerable that the public have recourse to the Bank, it is clear that the Bank have then the power very much of regulating the rate; that is to say, if the supply in the market is not adequate to meet the public want without recourse to the Bank, of course the Bank can charge what rate of interest they please, and the public must submit to it.

4841. Does that state of things arise from the fact that the Bank is at the moment the largest dealer in capital for discounts?—It is rather difficult to say that; I am not sure that they are the largest dealers for discounts, but they are the largest holders of money at certain seasons of the year, during the quarters when the public money goes into the Bank; the money which has thus been abstracted from the market being in the hands of the Bank, the public must have recourse to the Bank for their supplies at those periods.

4842. The public balances at the Bank undergo a regular fluctuation every quarter, do they not?—They do.

4843. They are low at the commencement and high at the termination of the quarter?—Precisely.

4844. Then it would be in the latter period of each quarter that the influence of the Bank would principally be felt in the money market, according to your view?—Certainly; but it is not only limited to that. When the circulating medium in the hands of the public is at a low ebb, in proportion to the amount of

of commercial engagements afloat, then also the Bank have the control of the market entirely in their power.

4845. Do you mean to say, that when the quantity of bank notes in the hands of the public is low, then the Bank have a greater command of discounts?—Certainly.

4846. Do you find, practically, that the quantity of notes in the hands of the public does fluctuate considerably?—Very little; it is a singular thing that the amount of notes, for some time past in the hands of the public, has run between 18,500,000*l.* and 19,000,000*l.*, or it may be almost said to be from 19,000,000*l* to 19,500,000*l.*, with very little fluctuation, except there be any disturbing cause.

4847. Then the circumstance to which you last alluded, namely, the diminution in the quantity of notes in the hands of the public, would not have much influence with respect to the rate of discount?—Yes, it would; the diminution of notes in the hands of the public would have the immediate effect, assuming that the general business of the country was large, of driving the monied interest to the Bank for supplies of money.

4848. I thought you stated that that phenomenon was of rare occurrence, namely, any great diminution in the quantity of notes in the hands of the public?—Anything like a panic has the effect of driving the monied interest to the Bank for supplies of money. We had it exemplified, a very short time ago, in the case of the London and Eastern Bank, when they got into difficulties, and a feeling of anxiety arose. If you refer to the returns of the Bank at that time, you will find that the notes in the hands of the public increased in a fortnight by 1,000,000*l.* sterling. There was an abstraction from the Bank, and a putting into the pocket of the public, somehow or other, of 1,000,000*l.* of notes at that period. On the 28th of March last the notes in the hands of the public actually in circulation were 18,584,000*l.* in rough. They increased in the next week 500,000*l.* or thereabouts; and in the following week 500,000*l.* more, making, in a fortnight, an increase to 19,537,000*l.*

4849. Had not the dividends been paid then?—No; the dividends are not paid until the 11th of April.

4850. Mr. *Weguelin.*] A fortnight before payment of the dividends, do not the notes in circulation always go up?—We do not find it so in any other quarter.

4851. *Chairman.*] Will you compare the corresponding weeks in the preceding year?—On the 27th of March 1856 the notes out were 18,385,000*l.*; on the 3d of April they were 19,017,000*l.*

4852. Mr. *Wilson.*] Will you take the next week?—On the 10th of April they were 19,444,000*l.*

4853. Mr. *Hankey.*] What were they the following week?—£20,000,000; but then we come to the effect of the dividends.

4854. Will you take 1855?—In 1855, the notes out were 19,057,000*l.* on the 29th of March.

4855. Mr. *Weguelin.*] In the week previously to that they were lower, namely, 18,984,000*l.*?—Yes.

4856. Mr. *Hankey.*] Will you take the next week after the 29th of March?—They were 19,488,000*l.*

4857. What were they the following week?—£. 19,812,000. It is a very curious thing that, at that particular period, there certainly is an increase. I do not know how it is to be accounted for, but they certainly have increased in those years.

4858. *Chairman.*] Comparing the discount operations of the Bank of England with all other discount operations taken together, what relation do you think one bears to the other in point of quantity?—That is a question which I am really unable to answer.

4859. Without answering it with statistical accuracy, would you say that the discount operations of the Bank are a very considerable portion of the entire discount operations of the country?—Yes, a very considerable portion indeed; but without knowing (which I really do not know) what is the amount of bills of exchange which the Bank hold, I have no means of forming an opinion. If I knew that I should be able to give you an answer immediately.

4860. Mr. *Weguelin.*] Assume that there was an average of 10,000,000*l.* during the

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the last year held by the Bank at any one time?—I should say that there are other establishments holding considerably more.

4861. *Chairman.*] Single establishments?—The general proportions are considerably more.

4862. Comparing the total discount operations of the country with those of the Bank of England, what should you say the proportion might be?—That is so extremely difficult a question, that I really cannot answer it.

4863. Would not the answer to that question throw considerable light upon the power of the Bank to determine the rate of discount by its own influence?—Perhaps I had better answer that question by referring to my own experience (for I do not pretend to anything else); and by stating how we act with reference to the Bank.

4864. Will you have the kindness to state your own practice?—When the Bank of England fix their rate at a certain sum, if we find that our occupation of money is such that we can get bills enough to keep our discounts at the Bank rate, we do not go below it; but if we find that we have large sums of money unemployed in consequence of the public preferring the courtesies of the Bank, which everybody knows, we then are obliged from necessity to cut a little under the Bank rate, as an inducement for the public to come to us; that is the practical working of the thing. If on the other hand we find that the demand for money is so considerable as to drive us to take money of the Bank, we dislike it; we do not want to get a profit by our transactions with the Bank in the ordinary course of things. We think that it is our natural business to go to the Bank during the quarters when the public money goes into the Bank; somebody must supply that vacuum, and it is our natural business to do it; but we should not like to carry on our ordinary business with the money of the Bank of England. Indeed, it would not pay us; the public would not pay us for first-class bills, which we alone deal in, a rate higher than the Bank rate, because they would rather go to the Bank themselves; we therefore should not be very long in that state which would enable us to carry on our business with the money of the Bank of England, because we should charge a higher rate than the Bank of England, which would have the effect of throwing off a great number of bills on to the Bank or other channels. That is the way in which we dress ourselves with reference to the Bank of England rate. If we cannot employ our money at the Bank of England rate, we are obliged to go below it. If, on the other hand, we find the necessity of frequently going to the Bank for discount, we check it by charging a higher rate.

4865. Which of those two states of things is the most frequent; does it more often happen that you find yourselves taking a less rate of discount than the Bank, or a higher rate of discount than the Bank?—In answer to that question, I have a book before me wherein I have our rate and the Bank of England rate contrasted week by week, and it is rather an interesting thing. I should say that we are more frequently below the Bank than above the Bank.

4866. Then, practically, the Bank rate of discount operates as a sort of a maximum to private discount?—Certainly.

4867. There is always a tendency in competition to bring the rate of discount somewhat lower than the rate of discount at the Bank?—I should say so; that is the general tendency.

4868. Then, practically, private customers must be perpetually comparing the market rate of discount with the Bank rate of discount?—Of course, a man who deals in an article is obliged to observe everything which affects that article. There are times when money becomes excessively abundant from accumulation, such as the receipt of the dividends. If the money coming from the dividends into the hands of the public is not counteracted by repayment of loans to the Bank, large sums become unoccupied; and it is better worth the while of the persons receiving those dividends to take a lower rate of discount than to keep their money unemployed, and therefore we get very much below the Bank then. I have known our discounts to be as much as 1 per cent. below the Bank. That is very much the condition of things at the present moment. There have been a very great many discounts taken at 5 per cent., or 5¼ or 5⅛, when the Bank are charging 5½, because large sums have accumulated in certain hands, and the money must be employed at some rate.

4869. As soon as you find, by watching the state of the market, that there is a considerable

a considerable quantity of capital ready to seek employment at a lower rate than the Bank rate of discount, your disposition is somewhat to lower your rate?—We are obliged to do it; it is not whether we like it or not. The competition for banking occupation would be so great that we should be high and dry, so to speak, if we did not do so; we should be full of money, and we should not know what to do with it, if we did not go with the general tone of the market.

4870. Then, in fact, the way in which you guide yourself is this: you take the Bank rate as a sort of general guide, and perpetually correct it by the state of the market?—By the supply and demand.

4871. So that, if the Bank of England rate were not to fluctuate pretty correctly according to the state of the market, you would be forced to depart somewhat widely from it?—Certainly.

4872. I suppose you find that practically the Bank Directors keep their rate pretty closely in accordance with the market rate?—Precisely; that is what I said; that we are both affected by each other. The Bank could not long remain at a very great distance from our market if we were one per cent. below them, because they would lose the whole of their discounts.

4873. If the Bank were to keep their rate one per cent. or one and a half per cent. for any time above the market rate, the public would cease to go to them?—Certainly.

4874. On the other hand, if they were to keep at one per cent. or two per cent. below the market rate, their funds would very soon be exhausted?—They would get the whole of the discounts; the thing is done to the greatest nicety.

4875. Have you at all considered the operation of the Act of 1844, with respect to the Bank rate of discount?—I cannot say that I have, with respect to that particular point.

4876. Have you heard it alleged that the operation of that Act has been to cause greater fluctuations in the Bank rate of discount than existed previously to 1844?—I do not know that I have heard that, but I have a paper here which will answer that question immediately; it is the rates of discount which we have charged since 1824 up to the present time, and I have had the average taken out for each year.

[*The Witness delivered in the following Paper:*]

RATES of DISCOUNT for First Class BILLS at the undermentioned Periods.

	Jan.	Feb.	March.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Average per Annum.	£.	s.	d.
1824 -	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	1824 -	3	10	–
1825 -	3½	3½	3½	3½	4	4	4	4	4	4	4½	4½	1825 -	3	17	6
1826 -	5	5	5	5	5	4½	4½	4	4	4	4	4	1826 -	4	10	–
1827 -	4	3½	3½	3½	3½	3	3	3	3	3	3	3	1827 -	3	5	–
1828 -	3	3	3	3	3	3	3	3	3	3	3	3½	1828 -	3	–	10
1829 -	4	3½	3½	4	3½	3½	3½	3	3	3	3	3	1829 -	3	7	6
1830 -	3	3	2¾	2¾	2½	2½	2½	2½	2½	2¾	3	4	1830 -	2	16	3
1831 -	3½	3	3½	3½	4	4	4	3½	3½	4	4	4	1831 -	3	13	9
1832 -	4	3½	3¼	3¼	3¼	3¼	3	3	3	2¾	2¾	2¾	1832 -	3	2	11
1833 -	2¾	2½	2¼	2¼	2½	2½	2½	2½	3	3	3½	3½	1833 -	2	14	7
1834 -	3½	3	2¾	3	3¼	3¼	3¼	3¼	4	3¾	3¾	3¾	1834 -	3	7	6
1835 -	3¾	3½	3½	3¾	3¾	4	4	3½	3¾	3¾	3¾	3¾	1835 -	3	14	2
1836 -	3¾	3¾	3½	3½	3¼	4	4	4½	5	5	5½	5½	1836 -	4	5	–
1837 -	5½	5½	5½	5½	4½	4½	4½	4	3½	3½	3¼	3½	1837 -	4	8	9

RATES of Discount for First Class Bills at the undermentioned Periods—*continued.*

	Jan.	Feb.	March.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Average per Annum.	£.	s.	d.
1838 -	3½	3	3	2¾	2½	2¾	3	2¾	3	3	3¼	3½	1838 -	3	–	–
1839 -	3¾	3¾	3¾	3¾	4	5	5½	6	6½	6½	6½	6½	1839 -	5	2	6
1840 -	6	4¾	4¾	4¾	4¼	4¾	4½	4½	4¾	5	6	5¾	1840 -	4	19	7
1841 -	5½	5	5	4½	4½	5	4½	4½	4¾	5	5½	5	1841 -	4	17	11
1842 -	4¾	4½	3¾	3¾	3¼	3½	3¼	3	2½	2¾	2½	2½	1842 -	3	6	8
1843 -	2½	2¼	2	2	2	2½	2¼	2	2	2¼	2	2½	1843 -	2	3	4
1844 -	2¼	2	2	2	1¾	2	2	1¾	2	2¼	2¾	2¾	1844 -	2	2	6
1845 -	2½	2½	2¾	2¾	2¾	2¾	2¾	3	2¾	3	3½	4½	1845 -	2	19	2
1846 -	4	5	4½	4	4	4	3¾	3¾	3	3	3¼	3¼	1846 -	3	15	10
1847 -	3¼	4½	4½	4½	7	6	5½	6	6	7	10	6	1847 -	5	17	1
1848 -	4¼	3½	3½	3½	3¼	3¼	3%	3%	3%	3	2¾	2½	1848 -	3	4	2
1849 -	2½	2½	2¼	2½	2¼	2¼	2¼	2¼	2¼	2½	2¼	2	1849 -	2	6	3
1850 -	2	2¼	2½	2¼	2	2	2	2	2½	2½	2½	2½	1850 -	2	5	–
1851 -	3¼	3	3	3	3	3¼	3	3¼	3¼	3¼	2¾	2¾	1851 -	3	1	3
1852 -	2½	2¼	2	2	1⅞	1¾	1¾	1¾	1¾	1¾	1¾	1¾	1852 -	1	18	2
1853 -	2¼	3	3¼	3	3	3¼	3¼	3½	4	5¼	5	5½	1853 -	3	13	4
1854 -	5%	4¾	4½	5	5	5¾	5¼	5	5	4¾	4¾	4½	1854 -	4	16	9
1855 -	4¾	5	5	4	3½	3¼	3	3¼	4	6½ / 7%	6½ / 7%	6½ 60 days / 7% 90 days	1855 -	4	13	4
1856 60 days	6¼	6¼	6¼	6¼	6%	4¾	4¼	4½	4½	6% 60 days	7	6½	1856 -	5	17	3
1856 90 days	7%	6¾	6¾	6¾	6½					7% 90 days						
1857 -	6	6	6	6¾	6½	—	—	—	—	—	—	—	—			

Witness.] It seems to me that the rates since the Act have been lower than they were previously.

4877. Still there were considerable inequalities in the different years from 1824 to 1844?—There were, very considerable; there were a variety of changes in those periods; but those are the averages.

4878. The notion that there was a uniform rate of discount in the 20 years from 1824 to 1844 is not at all consistent with the figures in the paper which you have delivered in?—Those are the rates of our house; the average rates which we have charged; I do not know what the Bank rates were then; I could tell you for several years past the Bank rates, but I believe the Committee have them.

4879. During those periods, was there a uniform nominal rate of discount kept by the Bank?—I am not prepared to say that; I should rather doubt it.

4880. Were your proceedings at all hampered by the existence of the usury laws?—Exceedingly hampered.

4881. Were you ever able to charge more than 5 per cent. at that time?—No, we had very great difficulty. In the first place, we were prevented keeping capital in the house; I am speaking of 30 years ago; we then acted as brokers, and were obliged to act as brokers until that Act was repealed.

4882. Would

4882. Would not the repeal of the usury laws have made a difference in the apparent rate of discount in some cases?—I think that the repeal of the usury laws has not injuriously affected the rate of interest, but the contrary. I think money has been decidedly cheaper since the repeal of the usury laws than before; and that statement shows it.

4883. Did not the existence of the usury laws, by leading to evasions and contrivances for defeating their effect, make a difference in the apparent rate of interest which was not real?—No question of it; there is no doubt that many persons were obliged to have recourse to all sorts of disagreeable expedients to put their transactions out of the pale of the usury laws, as it were. When money was beyond 5 per cent., what could they do? You must either give up business or charge 6 per cent. if the true value of money for undoubted securities reached that rate.

4884. The Bank never could avowedly fix their rate of discount at six per cent. while the usury laws were in force, could they?—They could not go beyond five per cent., but on securities of undoubted character, it ranged beyond five per cent., namely, upon stock, and things of that sort, in the shape of what was called continuation; it was done at six, seven and eight per cent. to the great body of the mercantile world.

4885. Advances of that description were not within the operation of the usury laws?—They defeated the usury laws by the mode in which they were done; in the same manner, when the true value of money rose beyond five per cent. in the mercantile world, other modes were adopted of lending a man money on long bills for given periods, and all sorts of things were done; in fact, it hampered the money market excessively.

4886. Do you consider that it is a correct description of the causes which determined the rate of discount, to say that it is fixed by the quantity of capital in the market which is applicable to the discount of mercantile bills, as distinguished from other classes of securities?—No; I think that the question of interest is affected by all convertible securities of a current character; it would be wrong to limit it simply to the discount of bills, because it would be absurd to say that when there is a great demand for money upon consols, or even upon Exchequer bills, as has ruled very much of late, at a rate much higher than the commercial rate, our commercial world is not affected by it; it is very materially affected by it.

4887. Still you cannot say that the rate of discount and the interest upon consols or Exchequer bills are determined by the same causes, can you?—Yes; that is to say, that a demand for money may arise from various causes; in the case of money which is wanted upon stock, it may arise from a loan being created, and more stock being held by the dealers than they are able to place, and they are obliged to hold it till the public take it off their hands; they then become great borrowers of money; that has been the case for the last year.

4888. Do you always find, that when the rate of discount rises the price of funds falls?—I do not think that that is at all certain; opinion has a greater effect than the rate of interest.

4889. Is it not the fact, that the persons who seek investments in consols and in Government securities belong to a different class from those who employ their money in discounting mercantile paper?—I think so, entirely; I do not think they have anything to do with it.

4890. Therefore the fluctuation with repect to discounts arises from different causes than the fluctuation with respect to the price of consols?—I think, as I observed before, that we are affected by those different causes which generally operate upon the money market. When sound and current securities, such as bankers acknowledge to be so, are in the market, and people want to borrow money upon them, it certainly has its effect upon commercial bills; for instance, I can hardly expect a man to let me have money at 5 per cent. upon commercial bills, if he can lend his money at the same moment at 6 per cent. upon consols, or whatever it may be; it affects us in the same manner; a man can hardly expect me to discount bills at 5¼ per cent. if I can lend my money at 6 per cent.

4891. There is a distinction between the price of consols as a permanent sale and a loan advanced upon consols?—Quite so.

4892. I am speaking of the interest to be obtained at any moment by an investment in consols. Does it not appear to you that that rate of interest is

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determined by causes very different, although not altogether different, from those which determine the rate of discount at any moment?—We do not talk of investors who buy their 2,000 *l.* or 5,000*l*., or 10,000 *l*., as affecting the money market materially. If you ask me as to the rate of interest upon consols, I allude to people who deal in hundreds of thousands of pounds, who are what are called jobbers, who take large portions of loans, or make purchases in the market, and have to hold that stock till the public take it off their hands at a profit; these men, therefore, want money.

4893. Those are speculative dealers in the funds?—They are wholesome dealers; you may call some speculators; but there are others, called jobbers, who speculate, in one sense, but it is their business.

4894. Is not a very large portion of the funds held by trustees who seek permanent investments, and who would not risk their money in discounts?—There is no doubt of it; that is the class which gives to the 3 per cent. consols such an adventitious rate as there is at the present moment; it is not a natural rate; with money at 6 per cent., and, as we have had it, 6½, consols naturally would not be at 93; but the price of consols is affected by the demand for trusteeships, and things of that sort, which occupy our funds in the way they do.

4895. Have you had occasion at all to consider the operation of the Act of 1844, during the war for example, with respect to the limitation upon the issues of the Bank?—I have.

4896. How do you think it has worked? Has its operation been beneficial or otherwise?—I think that the management of the Bank has been so admirable, that we have all got along with it, so to speak; but it has been under great anxiety at times.

4897. From what circumstance has the anxiety arisen?—The anxiety has arisen in this respect, lest the Bank should not have it in their power to supply any needful assistance which might be required by the public.

4898. Has that difficulty in your opinion been created or aggravated by the provisions of the Act of 1844?—Decidedly so.

4899. Will you explain how it has that effect?—Because we know this, that by the Act of 1844, it is out of the power of the Bank to create any notes whatever beyond the bullion which they have in their hands to represent them.

4900. In addition to a certain amount of notes against securities?—Yes; I have accidentally before me the year 1847, which perhaps is not a very good year to take, but I will take it as it happens to be before me. The notes held by the Bank at a particular period of that year were 1,150,000*l*., and in October last year they were 2,550,000 *l*. You can easily understand the anxiety which the whole monied interest of the country, having their eyes open to it, must have felt at that condition of things, knowing that the Bank have a large sum, consisting of bankers' balances in their hands, probably fully equal to the latter amount, and also that they have their own ten branches to supply. It becomes extremely dangerous at such a time to rely upon the Bank at all for assistance, and the monetary business of the country is carried on at such a moment with very great anxiety.

4901. Do you think that the present restriction is too narrow, that it would be desirable to allow the Bank to issue a greater quantity of notes against securities?—That is a question of degree. I am rather inclined to think that it might be extended, but it requires very grave consideration. Some persons might suppose that if the public held 19,000,000 *l*. of notes you might go as far as 17,000,000 *l*. of notes without reference to the bullion, and not hazard the permanence of our specie payments, but I should not like to give a very decided opinion upon that point.

4902. Have you any reason for thinking that the present amount of the circulation of the Bank is insufficient for the wants of the country?—I think it has been quite as little as is desirable, but we are affected every week very much by the large arrivals of bullion, so that it may quickly increase very materially.

4903. Is there any alteration in the provisions of the Act of 1844 with respect to the limit upon the issues of the Bank, which you would recommend?—That is a very important question. I think that the Act of 1844 has very great merits, but I think it has great defects.

4904. What do you consider to be its defects?—I think it is defective in its want of provision against any withdrawal of the circulation from particular causes, such as panic and uncontrollable contingencies, such as a bad harvest or war,

war, and I will even add injurious or unjustifiable hoarding. I think that every one of those things should be provided against in the currency of this great kingdom.

4905. In what way do you think it would be possible to provide against those contingencies?—I think that, under certain fences and provisions, there ought to be a circulating medium provided beyond the possibility of doubt, to settle the affairs *de die in diem* of this country, although it must have some reference to bullion. I should take good care that we fenced it in such a way that we never ran away from our bullion; but, nevertheless, we should get rid of what we are exposed to at the present, namely, the withdrawal of our circulation from the causes which I have mentioned.

4906. Is it your meaning that some machinery should be provided for enlarging the paper circulation under certain circumstances?—It is.

4907. Would you give a greater discretion to the Bank than it has under the present Act?—I certainly would; but I think it ought to be done with caution. Speaking as I am in the presence of gentlemen who have filled the chair of the Bank, and I may say with such great satisfaction to the commercial public, I speak with great diffidence; but I certainly do think that it would be very desirable that the country should never be brought into a condition of paralysis for the want of a circulating medium under any circumstances.

4908. When you speak about the country being brought into a state of paralysis, do you refer to the year 1847?—I take that as an illustration of it, but we have passed through several periods of anxiety since that time; even last year the reserve in the hands of the Bank was so low as to cause us considerable anxiety in carrying on business.

4909. Since the year 1847 has there been any occasion on which you think that any benefit would have arisen from a larger issue of paper by the Bank?—I find that on the 23d of October last year, we had got down to a point at which the notes in the hands of the Bank were 2,550,740 *l.* When you consider that the money dealers, or the public, which is the same thing,—for we, in point of fact, are the public in one sense,—have occasion to apply to the Bank under such circumstances, remembering the liabilities which they are under to the bankers, who may withdraw their balances from them, and remembering that they have to supply their 10 branches, you can easily understand that we must all be living in very great anxiety indeed.

4910. Mr. *Gladstone.*] As you have said, "We must all be living in very great anxiety indeed," is the Committee to understand that the anxiety which you yourself have felt, is, in your opinion, felt by the money dealers generally?—I should say so, unless they are asleep; every intelligent man must be under anxiety of that kind.

4911. Are you able to say, as a matter of fact, that that anxiety is felt by the whole class?—There is not a question of it, and it is shown immediately by their doing all they can to check their business.

4912. Mr. *Hankey.*] Are you aware whether at that period to which you just referred, of 1856, our money-dealing houses in Lombard-street were large borrowers of the Bank?—I cannot say whether they were, but one thing is certain, that our rate of interest at that period was 6½ per cent.; we were driven to it; we should not be voluntary borrowers, excepting, as I have endeavoured to explain before, when it is natural that we should be so.

4913. Do you think that at that period your own house and others were large borrowers?—Without our books I should not be able to answer the question. But I am perfectly certain that we should feel it a very indelicate thing on our part to go to the Bank under such circumstances, unless driven to it by absolute necessity; we should not solicit business to drive us to the Bank under those circumstances.

4914. If at that period you were large borrowers of the Bank, it would have been a matter of absolute necessity?—There is no question of it.

4915. Mr. *Gladstone.*] Did your business undergo a material contraction?—I should say not. But I am bound to tell you, speaking as I ought to do, without reserve, that we certainly did carry on our business under the tacit understanding conveyed to us, that if any real press did come we should have relief. I say it without hesitation.

4916. Mr. *Hankey.*] Relief from where?—From the Government; there is no doubt about it.

4917. In 1856?—Yes.

4918. *Chairman.*] How did this tacit assurance reach you. I do not ask you to violate any confidence?—It came to me, not from any Member of Parliament, or any person in direct connexion with the Government; but still from a person of such standing that I could not misunderstand it, that it was desirable that we should go on with our business, and we did so.

4919. Mr. *Hankey.*] That was in October last?—For a great period of the year we were more or less in anxiety, but in October we were in a state of great anxiety, seeing that the Bank reserve had fallen from 3,500,000 *l.* to 2,500,000 *l.* in a week.

4920. Mr. *Weguelin.*] The understanding to which you have alluded was from no person connected with the Bank of England?—It was not.

4921. Mr. *Gladstone.*] You have given the Committee to understand that under circumstances such as you describe, a contraction of business by the money dealers takes place; do you mean a contraction of business over and above such as is the natural consequence of an increase in the rate of interest?—I think so; I think nobody would seek transactions under circumstances of that kind.

4922. Therefore, you do not trust simply and solely to raising your charge for discount, and letting everything else take its usual course; but over and above that, either negatively or positively, you take steps, the general effect of which, on the whole, is to contract?—Yes; it is extremely desirable to contract.

4923. *Chairman.*] The low state of the note reserve of the Banking Department was owing to the diminution of the bullion in the Bank, was it not?—Yes, the bullion had fallen considerably. On the 23d of October the bullion was 9,231,000 *l.*; on the 16th it was 9,589,000 *l.*; and the week before that it was 10,226,000 *l.*

4924. The note reserve is measured by the bullion in the Issue Department, is it not?—The note reserve has nothing to do with the bullion; it has to do with the Banking Department of the Bank.

4925. But it is dependent upon the quantity of bullion in the Issue Department, is it not?—No; there is a certain amount of notes. The amount of notes in circulation is governed by the bullion plus the 14,000,000 *l.*, and those notes are held by the public and by the Bank; the notes held by the Bank are governed by their banking circumstances.

4926. The note reserve is the difference between the total amount issued and the amount which the Bank is entitled to issue?—Yes.

4927. The note reserve is absolutely dependent upon the bullion in the Issue Department, is it not?—No, not notes reserved by the Bank; the total amount of notes issued is dependent upon the bullion; of course, it fluctuates with the bullion.

4928. Then the note reserve in the Bank is dependent upon the total amount of bullion and the quantity in the hands of the public?—It is so.

4929. Then you may say, in general terms, that the note reserve in the Banking Department is dependent upon the bullion in the Issue Department?—Yes, the notes actually in circulation being taken into account.

4930. If the bullion reserve of the Bank becomes low, is it not desirable that bill brokers, such as yourselves, should contract your operations?—We do it, naturally; we are too glad to do it, if we can.

4931. Did you not describe it as the effect of the small amount of the note reserve that it would lead to a contraction of operations on the part of bill brokers?—A reduction of the notes in the hands of the Bank, of course, always affects the money dealers. (We are not bill brokers.) We immediately argue thus: in case the demand upon us should exceed the supply, and we should have occasion to go to the Bank (which is what we should not covet), can we rely upon the Bank at all; and if we think we cannot, then the next step which we take is to check our discounts. We must do that gently so as not to create alarm, and reduce transactions as far as we can by charging an increased rate of interest.

4932. As soon as you see that the note reserve in the Banking Department is considerably reduced, that leads to a diminution of operations on the part of money dealers?—As far as they can do it.

4933. Do you think that that is a disadvantageous change?—I think it is a most

most desirable thing if it can be accomplished, but it cannot be done suddenly, engagements contracted three months previously having to be settled.

4934. If it is to be a gradual operation, the sooner that is begun the better, is it not?—I think so; we all agree to that.

4935. Then does not the present state of the law give a timely warning to money dealers?—I think not. I think that the Bank do not cease their competition for bills one moment earlier than they can help. They say, we have to make a profit for our proprietors, the same as any other concern, and we must have our bills; and it is not until they are driven to it, and they see their till sinking too fast, that they take those defensive measures.

4936. If the Bank did take warning in time, you think that that would be a wholesome operation?—Provided it was not too rapid.

4937. You do not object to the increase of the rate of discount or the corresponding operation, provided that the change is gradual and not rapid?—On the contrary, I think it would be highly desirable, and I think it is the only safety valve which we have. Whether it affects the profit of the Bank of England or not (to speak without reserve), I think that if we see that the tendency is to take the money out of the country to the foreigner, the only way which we have of preventing that, is by raising the rate of discount.

4938. You do not agree with those who say that legislation ought to be directed to keeping permanently a low rate of discount?—I do not; on the contrary, I would say, certainly, that when the bullion gets down to a given point, I should suggest that the rate of interest should never be below 5 *l.* per cent., and that if it falls still further, the rate of interest should rise in proportion. I see no other way of keeping the currency safe.

4939. Do you believe it to be within the power of legislation to keep either a low or a uniform rate of discount?—I do not. I think that the rate of discount must fluctuate according to the true value of money.

4940. Do you believe that it is more in the power of Parliament to keep a uniform rate of discount than it is to keep a uniform range of prices of commodities?—Certainly not.

4941. Is your house in the habit of keeping money on call?—We do.

4942. To a large extent?—To a very large extent.

4943. Will you have the kindness to explain to the Committee the nature of that transaction?—We receive, as other banking houses do, money on deposit, but at interest; our business is very much followed now by the joint stock banks, which, in point of fact, have taken up our business and followed it, almost entirely, adding to it, however, common banking business. Our business is that of receiving money on deposit, but allowing interest for it according to the market rate of the value of money.

4944. What is the rate which you are in the habit of allowing for money held in that manner?—It is entirely governed by the market rate, the general value of money in the market.

4945. You allow something less than the Bank rate of discount?—We do for money payable on demand, which may be taken at a moment's notice.

4946. Who are the persons who, for the most part, deposit money with you on those terms?—It is rather difficult to classify them, they are so numerous.

4947. Has that branch of business increased of late years?—It has always been carried on by us with the banking interests of the country; with private parties it has very much increased.

4948. The practice of holding money on call has very much increased?—Yes, with us; I do not know as to other houses.

4949. Do you believe that that has had any influence upon the value and currency of Exchequer bills?—I have no hesitation in saying that it has; that people who know they can have their money at a moment's notice without any fluctuation or being obliged to have recourse to sales, as with Exchequer bills, much prefer it where they know that they are safe.

4950. For that reason, do you think that the public will hold the same quantity of Exchequer bills now which they formerly would?—Certainly not; and for this reason, speaking from experience: when you come to a press for money, you cannot use Exchequer bills. Many a time people have been obliged to give enormous

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enormous rates of money, even upon Exchequer bills, because they could not sell them; India bonds have been perfectly useless as a matter of sale.

4951. Do you think that the quantity of railway debentures has had any effect upon the value of Exchequer bills?—Very considerable.

4952. Do you deal at all in debentures and securities?—We have at times held a considerable amount of railway debentures.

4953. That is to say, you have advanced money upon deposits of railway debentures?—We have lent money to the railway companies at times upon their debentures; but nothing except our being excessively full of money would induce us to do it; I do not like it.

4954. You would lend money on railway debentures, and you would lend money on Government stock?—Yes; the field for the occupation of money is immensely increased, and that materially affects the question, as regards the commercial world. It is not only in debentures, but many wealthy people about the country who hold securities, such as London and North-Western stock, first-rate railway securities, will become borrowers upon those securities very largely; it affects the money market extremely; and it also affects Exchequer bills.

4955. Has your attention been at all turned to the division of the Bank of England into the two departments, the Issue Department and the Banking Department, which was introduced by the Act of 1844?—Of course I know it, generally speaking. The point which affects me is the Banking Department; the Issue Department speaks for itself. It is very ably managed by the Bank.

4956. Do you approve of, or object to, that division of departments?—I think the division is highly desirable.

4957. Would it be, in your opinion, desirable to supersede the country bank issues, to any extent, by Bank of England paper, beyond what is the case at present?—My own opinion is that it would be highly undesirable. I think the Bank have quite enough to do. I think that, looking at the amounts of notes which we have in the statement before me, it is quite enough for them to manage London in its issues. I do not think it would be at all desirable to put the country issues upon the Bank of England.

4958. The policy of the Act of 1844 seems to have been, by a voluntary process, to substitute Bank of England paper for country bank paper?—And it has so far abridged the circulating medium of the country.

4959. That would not necessarily be the effect of the change, would it?—I do not see why it should not. A country banker gives up his circulation of 100,000 *l.*, and takes Bank of England notes for it. He has to give the Bank of England some securities for that, and he withdraws the power of supplying his country customers with his money, which he used to do with his notes.

4960. Then you would not be in favour of effecting that substitution?—I certainly should not.

4961. Has your attention ever been turned to the paper circulation of Scotland and Ireland?—No; I am not sufficiently familiar with it to offer any opinion upon that point. The whole system of the banking affairs of Scotland differs entirely from that of England.

4962. Then your opinion with regard to the Act of 1844 seems to be, that there might be some guarded provision with respect to enlarging the paper circulation at moments of commercial crisis?—Most decidedly.

4963. But beyond that you would not think any change advisable?—No; that is my opinion. I think that that Act is of great advantage in putting the issue of the circulation upon a fixed principle; but I think it is defective in its want of protection against what I have alluded to, namely, against panics, against any uncontrollable withdrawal of the circulating medium arising from bad harvests, or against war. I have also no hesitation in saying that I do not think it is a proper condition of things that the money market should be under the power of any individual capitalist, such as does exist in London, to create a tremendous scarcity and pressure when we have a very low state of circulation out. That is possible, and I think that we ought to be guarded against it. There is more than one capitalist who can withdraw from the circulating medium 1,000,000 *l.* or 2,000,000 *l.* of notes, if they have an object to attain by it; and I say that that is not right. We all know that there are individual capitalists who can do that; there is no question of it.

4964. Mr. *Puller.*] Do you refer to the Bank of England when you use the term

term "a large capitalist"?—Certainly not; we should have no fear about the Bank of England doing anything of the kind.

4965. *Chairman.*] What inducement could any individual capitalist have to withdraw 1,000,000 *l.* of notes from circulation?—A great operator in the funds, unless he is governed by public feelings, which I believe is not considered desirable, may, if he chooses, sell 1,000,000 *l.* or 2,000,000 *l.* of consols, and take the money out of the consol market. We all know what effect that will cause by what has taken place within a very recent period, when a certain amount of stock was thrown upon the market under circumstances, when the circulating medium was suddenly withdrawn by taking the notes out of the market; it created a most violent pressure.

4966. Mr. *Gladstone.*] At what period was that?—A very short time ago; I need not go into dates.

4967. *Chairman.*] If any person were to sell stock to the extent of 1,000,000 *l.* or 2,000,000 *l.*, and to obtain Bank notes to that extent, with the view of withdrawing them from the currency, so long as he held them they would be unproductive, would they not?—Yes, but that is nothing if it effects his great object; his great object is to knock down the funds, to create a scarcity, and he has it perfectly in his power to do so. If you will allow me to illustrate the sudden withdrawal of notes, I can do so most effectually; what I am about to state occurred to me. In the morning there was a great demand for money in the Stock Exchange; nobody knew how it was; a person came and asked me whether I would lend money; I said, "Certainly." He said, "I will take 50,000 *l.* of you at 7 per cent." I was astonished; our rate of interest was much below that; I said, "You shall have it;" he came back for 50,000 *l.* more at 7½ per cent., he afterwards came back for 100,000 *l.* at 8 per cent., and again came back for some at 8½ per cent.; I said, "Sir, I am frightened, I do not know what this means." It afterwards turned out that there had been a sudden withdrawal of money from the market, which created this immense pressure; I did lend a large sum at 8 per cent.; I was afraid to go beyond; I did not know what was coming, but it is in the power of great capitalists to do that under a very low state of the circulating medium.

4968. Mr. *Gladstone.*] What was the period for which the money was required?—From one consol account to the other; I should think it was about two or three months ago; it was upon consols, upon the most current security which we have.

4969. *Chairman.*] You said that the Act of 1844 had great merits as well as some defects, in your view; what do you consider to be its principal advantages?—I think that it places the issue of the circulating medium upon a defined basis, which is extremely desirable; I think that there should be a line, and that any deviation from it should be the exception.

4970. Is what you approve of in the provisions of the Act, that there is a fixed sum to be issued upon securities, and that all the rest is to be issued against bullion?—I only address myself first of all to the issue upon bullion. The issuing upon securities is a matter with the Bank, who can only act according to the circumstances of their affairs at the moment; I do not see how you can regulate that.

4971. The provision of the Act of which you approve is that which regulates the issues of paper money by the Bank, by fixing a certain amount to be issued against securities, and the difference to be issued against bullion?—Yes.

4972. You consider the virtue of the Act to reside in that provision?—I do; I consider it a very good one.

4973. With regard to the division of the departments, you consider that subsidiary to the other principle?—That is an affair entirely for the Bank.

4974. An internal arrangement for those who have the management of the affairs of the Bank?—Yes; but I think that the Bank should be governed upon public principles, and not with a view to the private aggrandisement of a corporation. I think that we require the Bank to be upheld now more than ever. When we consider that in the immense and gigantic concerns which have risen up, there is such a power of accumulation, it is most desirable that we should have a public body such as the Bank not only supported, but also governed upon public principles, and not for the sake of private advantage.

4975. Mr. *Gladstone.*] Do you mean that in the conduct of its banking business, the Bank should be governed upon public principles?—I do indeed; I do

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I do not care whether it is the Bank of England or any other institution of that sort, but I think that when we have a falling bullion we must have reference to the rate of interest in relation to it; that we must not run away, for the sake of the advantage of any institution, from our bullion, if we can help it.

4976. Without stopping to discuss that question in the abstract, would you say that, taking the law as it is, the Bank of England ought to be governed in the conduct of its strictly banking operations by public considerations, and not by considerations of profit like any other bank?—I should say so generally; but there are periods when it is not necessary for the Bank to consider that subject at all. If they have a very large till of notes, they have only to do whatever they think fit. But I say that long before there is any danger of drawing near the exhaustion of our bullion, the public should be warned by the Bank being obliged to adopt a high rate of interest, whether their till is full of notes or not.

4977. You think it very desirable that the warning which the commercial community are to receive through the measures of the Bank of England should be as early as possible?—I do.

4978. Do you think that it would be practicable to devise any legal provisions having a stronger tendency to produce that warning at an early period than the provisions of the Act of 1844?—I think it might be done.

4979. What would you suggest with a view to that particular object?—I would say that when the bullion of the Bank has fallen to a given sum, they ought to fix their rate of interest at a certain amount, whether they get discounts or not. If it falls still lower, they should be compelled to advance the rate of interest; and if it should fall still lower, they should be compelled again to raise the rate so as to show to the commercial world that we are spending too much money with the foreigner (because I must assume that that is the case), and it would at once prevent a great many operations, and contract our commercial affairs, because people cannot afford to trade at 7 and 8 per cent. A man says at once, "I cannot do business;" and long before we get to the condition of complete exhaustion, when we get, say to 5,000,000*l.* of bullion, let us suppose that those contractions of the bullion have made the rate of interest 10 per cent.; I need not tell you that under 10 per cent. it would be absurd to talk of Russian railways or Russian loans, or Sardinian loans, or anything having a tendency to take the money out of the country. A man would be a madman to attempt it; therefore long before we had that droop of bullion, by this increasing rate of interest, it would at once stop the tendency to take money out of the country; on the contrary, it would bring it back.

4980. Then is the Committee to understand that you would, to a certain extent, adopt legislative provisions which would require a given rate of interest, that matter being at present at the discretion of the Bank?—I think so. We must regulate it in some way or other; we must endeavour to maintain our specie payments, no doubt, and we cannot be spending our money as freely as ever, and have our specie payments too; we must put some check upon it.

4981. If you had provisions of that sort incorporated into the law, would they not be provisions which would operate after the bullion had fallen to a low point, rather than before it?—No; because they would equally arise the moment that we had a resuscitation of the bullion; that rate of interest would diminish, and we should be all right again; our coffers would be full.

4982. Do you think that it would be possible to construct a scale of that kind in such a manner, that it should give a warning to the public before there should come to be a pressure upon the bullion?—I think so, decidedly. This would be a matter of consideration; but I will assume for the moment, for example, in the rough, that the Bank bullion had sunk to 10,000,000*l.*, it would be then imperative on the Bank to say, "We have no right to let our bullion go out of the country." If the Bank rate were 4 per cent., it should then rise according to a fixed principle to 5 per cent., then if the bullion dropped to 9,500,000*l.* the Bank rate should go up to 5½ per cent.

4983. With the bullion at 10,000,000*l.* would it not be the rule of the Bank, under the law as it now is, to raise the rate of interest in the exercise of its own discretion?—I think it should not be left to its own discretion. I think it should be made imperative. We cannot do the two things; we cannot maintain a low rate of interest and maintain our bullion with an adverse exchange.

4984. You are disposed to trust rather to the positive provisions of the law than

than to the discretion of any body whatever; but the particular point to which I wish to call your attention is, whether you can make a system of that kind operate at periods before the bullion has fallen to a low point, inasmuch as when the bullion is at 10,000,000 *l.* we never find the bullion at that amount now without the Bank being, of its own motion, engaged in active efforts to check the drain?—I think you would hardly wish to control the Bank more than is absolutely necessary for the public safety.

4985. For example, do you think it would be possible or expedient, at periods when the bullion is at 15,000,000 *l.*, to affect the operations either of issue or the banking operations of the Bank, by means of a legislative scale such as you have described?—I think it would be very undesirable to do so, particularly when the Bank is so ably managed as it is at present.

4986. Mr. *Wilson.*] By what means would you propose to make this scale, if not by legislative enactment?—I would do so by legislative enactment.

4987. Do I rightly understand your plan to be this: supposing the bullion to be at 15,000,000 *l.*, and the Bank rate of discount at 4 per cent., would you then frame a scale whereby, when the bullion sank to a given amount, say to 13,000,000 *l.*, the rate of discount should be raised to 4½ per cent., and when the bullion sank to 11,000,000 *l.* it should be raised to 5 per cent.?—My observation was, that I would begin at 10,000,000 *l.*; I would not interfere with the Bank more than was absolutely necessary for the public safety.

4988. Then, if I understand it, what you would do would be this, that when the bullion in the Bank fell to 10,000,000 *l.*, you would make it compulsory upon the Bank of England to raise the rate of discount to 5½ or 6 per cent.?—I would say 5 per cent.; I would sound the alarm that there was danger ahead.

4989. If you are going to do it by regulation, you must fix beforehand what your rates are; you must apply the relative rate of discount to the minimum amount of bullion?—Yes.

4990. When the Bank bullion was at 10,000,000 *l.*, would you absolutely charge 5 per cent.?—Yes.

4991. And when it fell below 10,000,000 *l.*, for every 500,000 *l.* that it fell, the rate of discount should be raised a certain per-centage?—Yes.

4992. Suppose you did that, and fixed it at 5 per cent. for 10,000,000 *l.*, and by gradations came to 6 per cent. for 8,500,000 *l.*?—I should propose that the rate should rise a half per cent. with every 500,000 *l.* of fall.

4993. You know that when the exchanges are adverse, bullion goes out, there is a drain upon the Bank for bullion, and the principle which you lay down has been followed by the discretion of the Bank Directors, and is quite the right principle to follow, that under those circumstances the only mode, as you have said, of checking a drain is, by raising the rate of discount. Suppose you have got to 8,000,000 *l.* of bullion and you have raised the rate of discount up to 7 per cent., would you consider that when the exchanges had turned, and we had come to have a daily increase of bullion instead of a daily diminution as before, it would be imperative upon the Bank, or wise in the Bank to continue the same high rate of interest as if their bullion had been going down?—Most distinctly until they regained their 10,000,000 *l.*

4994. Supposing at 9,500,000 *l.* you had a rate of discount of 5½ per cent., with the 9,500,000 *l.* of bullion in the Bank, with an adverse exchange, and bullion going out, you would be able to maintain a very high rate of interest; but with the same amount of bullion in the Bank, with bullion coming in and with a favourable exchange, would the same rate of interest be maintained?—I think it would. The market rate of money is very sensibly affected by the Bank of England rate, and it would be a most extraordinary state of things, if the Bank of England were compelled to charge 5 per cent. if the money market generally did not harmonise with it, because you must remember that the very withdrawal of the bullion would of itself have originated the contraction of notes previously. As the bullion goes out it cancels so many notes, and that of itself has an effect upon the money market.

4995. Has it occurred to you that there is an objection to the plan of having a fixed rate of interest in relation to the amount of bullion, inasmuch as it would assume the same rate of interest when the bullion was the same, whether the bullion was diminishing, or whether the bullion was increasing?—I see no

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objection to it. I think we are bound to signify in some manner to the commercial world that we are spending too much with the foreigner.

4996. By the increase of rate?—Yes.

4997. When there is an efflux of bullion?—Yes; it is a perfectly natural thing.

4998. But when there is an influx of bullion would you do the same?—Still you must go upon the principle that it rises up and diminishes the rate *de naturâ* without any interference at all.

4999. The management of the Bank of England for the last three years has been very much in accordance with this view which you have expressed, without any regulation?—Yes; but it makes a very great difference whether it is done upon a certain defined fixed principle, or whether we have the rate of interest subject to uncertainty; because we have had tremendous fluctuations in the rate; the suffering has been very considerable.

5000. Mr. *Gladstone.*] We have now been discussing your suggestion of a scale of rates of interest varying inversely with the amount of bullion, and we have been discussing it with reference to the expediency of giving warning to the commercial community, when a crisis is apparently coming into view. In a former part of your evidence, you likewise referred to a state of things which you called a state of paralysis, when the Bank reserve is very low, and when there is an apparent possibility of an absolute failure of the means of carrying on commercial transactions. Would you endeavour to arrange that scale of which we have been speaking in such a manner, as to admit of the relief which you think ought to be given by additional issues to the commercial community, under such a state of paralysis?—That is extremely difficult. I will answer that question by referring to facts. It is a very curious thing, that at the period I refer to, on the 23d of October 1856, the notes in the hands of the Bank amounted, as I have before observed, to 2,550,740*l.* I need not tell you how anxious everybody engaged in the money affairs of the country must then have been. At the same moment, the notes in actual circulation, which were held by the public, amounted to 21,155,000*l.*

5001. What was the amount of bullion?—£. 9,231,000.

5002. What was the Bank rate of discount?—The Bank rate of discount at that time was 6 per cent. for 60 day bills, and 7 per cent. for bills beyond 60 days, up to 90; they adopted that protection. Our rate of discount seems to have run at 7 and 6½ per cent.

5003. Will you be good enough to describe the provisions by which you think that any relief might be given to the commercial community under the circumstances of an approaching crisis?—I should say at once (I cannot speak for facts, but we will argue it according to circumstances), that a great proportion of this 21,000,000*l.*, this extraordinary sum beyond the natural level, was held by persons about the country who were making provision under the Act of 1844, who were alarmed, and were strengthening their reserves; there is no question of it. The amount of notes held by the public increased from 19,752,000*l.* up to 21,155,000*l.*

5004. Within what period was that increase of notes in the hands of the public?—Beginning with January the 3d, the amount of notes held by the public was 18,700,000*l.*, then 18,900,000*l.*, then 19,387,000*l.* It seems to me that in a general way, if there is no disturbing cause, the notes actually in circulation run somewhere about 19,000,000*l.* to 19,500,000*l.*, or 18,500,000*l.* to 19,500,000*l.*; but here we see them rise up in the hands of the public to 21,155,000*l.*

5005. Mr. *Weguelin.*] Are you aware that the circulation in the hands of the public at that particular period, namely, October, generally amounts to about 21,000,000*l.*?—This is a very large sum indeed; it is an immense amount, considering that the circulating medium has been extremely economised by the introduction of the joint stock banks, which, of course, have made all the difference.

5006. Mr. *Gladstone.*] Will you have the kindness to resume your explanation of the manner in which you would provide relief to the commercial community under periods of apprehended scarcity of the circulating medium?—The first thing which I think absolutely necessary for us is, to protect the maintenance of our specie payments; therefore, in order to do that, when the bullion sinks

to

to a certain point, I should say that it should be imperative to sound the alarm; and we ought not only to sound the alarm, but to provide that the contraction of our currency shall create a higher value for that which remains; that is the first thing which I should do. The next thing is this: I would certainly make a provision against any suffering from panic, or any disturbing cause which may arise from war or famine, which is beyond all possibility of control.

5007. Has it occurred to you to consider of any mode by which that provision might be safely made?—I think so.

5008. How do you think it could be done by law?—I think that though the Bank of England notes in reserve may have fallen to a certain amount below which the Bank hardly ought not to go as bankers, yet if they are applied to by the public for the supply of the commercial world upon undoubted bills, not only in point of security, but of a purely commercial character, such as the very first class bills, they ought to have power to discount them under any circumstances whatever; I think that provision should be made for that, and that then any idea of locking up money from panic would be perfectly laughed at, it would be absurd. The question of suffering from a high rate of interest would be another thing; those dealing in money would have to suffer that, but that the public should be in danger of a convulsion by the impossibility of discounting the acceptances of Messrs. Coutts & Co., the Treasury, Messrs. Jones Loyd, Messrs. Smith Payne, and the first concerns in the world, should be provided against.

5009. Will you point out to the Committee the specific mode in which you would make that provision; I understand you to think that the provision should be called into operation at periods when the banking reserve has fallen to a very low point, and when there is an apprehended scarcity of the circulating medium; how would you make the provision?—I would empower the Bank of England to extend their issues under certain circumstances, but not entirely for their own benefit; I would give them the power to extend the circulating medium at a given rate of interest, so as to make it difficult for the people to apply for it beyond what necessity should require; but for undoubted securities of a legitimate character the circulating medium should be always obtainable; but the benefit of any extra issue should be more for the Government than for the Bank.

5010. If I understand you rightly, then, you would do this: you would authorise issues under certain circumstances beyond the usual fixed amount of issue upon securities, and yet without requiring the condition that they should be against bullion?—I would.

5011. But you would at the same time check the abuse of the facilities thus offered by a very high rate of interest, and you would likewise, if I understand you rightly, remove all inducement on the part of the Bank to make such a system for its own particular benefit, by providing that the profit should be for the State?—Perfectly so, excepting to give the Bank a certain proportion of the profit for doing the business and for taking the risk. It is impossible to express it more clearly than you have done.

5012. Practically that would come to much the same thing in its effect, supposing it to succeed, as the effect produced by the letter of Lord John Russell and Sir Charles Wood in 1847?—Only with this difference, that the thing would never go on half so far; the pressure would never have arisen.

5013. You think that if it is possible that a relaxation of the law may become necessary, it is better that it should be provided for beforehand by distinct legislative enactment?—Most decidedly.

5014. Supposing that such a provision ought to be made, is it desirable that the occasion for making it should be determined by the criterion of a very low state of the reserve of the Bank of England, or would it be preferable to adopt for your criterion a very low state of the bullion in the Bank of England?—I should say that we had better have reference simply to the bullion of the Bank of England, because we have to maintain our specie payments; that is the first point which we all address our minds to. Nevertheless we should make provision in this way, that long before there was any danger of risk in the maintenance of our specie payments, the rate of interest would have risen under this system to a point which would check all commercial transactions exceedingly, and utterly annihilate any new transactions which had a tendency to take the money out of the country. When we get down to 5,000,000 *l.* we are at 10 per cent. Who is to trade at 10 per cent.?

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5015. Mr. *Wilson.*] Is it not the case that when there is a severe pressure upon the Bank, under the circumstances which you have just named, it arises chiefly, as I think you have described, from a demand for bullion for foreign payments?—I should say so. We have had extraneous actions upon our bullion of late, not only from the course of trade, but also from the quantity which has gone abroad for war, and things of that sort.

5016. You have never known a pressure upon the money market which was not indicated by a very great reduction in the bullion of the Bank of England?—Certainly not; the effect of that reduction is to cancel the circulation *pro tanto.*

5017. You regard it, I think you have said, as a great point with those who take an intelligent view of those matters, that they should watch the efflux and influx of the bullion at the Bank?—Clearly.

5018. Supposing that at a time when the bullion is very low, you desire to introduce a relaxing power such as that which you have just described, if I understand you, at that moment it is not so much the circulating medium for internal purposes which is required, as a demand for bullion in consequence of an adverse exchange to send abroad?—I do not say that; the bullion would be in the Bank ready to be sent abroad, if a man could afford to send it abroad at the rate of interest which would then prevail, namely, 10 per cent., but the circulating medium of the country would still go on the same. I do not know the quantity of bullion which we have in the country; I do not know how to arrive at it.

5019. Nevertheless, there is a great pressure for bullion at such times as you have mentioned, for the purpose of being sent abroad?—No doubt it is that which has been the active cause, producing the contraction of the money market.

5020. You have mentioned the 23d of October of last year, when the notes in the hands of the Bank had fallen to a very low rate, I think 2,500,000 *l.*—Yes.

5021. What was the amount in the hands of the public at that time?—£. 21,150,000.

5022. Then it was unusually large?—It was; and the rate for money was unusually high, tremendously high, at the same time.

5023. The value of money was extremely high, while the notes in the hands of the public were unusually large?—That is precisely the fact; notwithstanding that we had 21,000,000 *l.* in the hands of the public, still the rate of interest ruled at 6½ per cent.

5024. But the bullion in the Bank was at a very low point?—The bullion in the Bank was 9,200,000 *l.*

5025. The bullion in the Bank was at about the lowest point, was it not?—No, it fell considerably after that.

5026. What was the lowest point?—On the 30th of November it fell to 8,914,000 *l.*

5027. That is under 300,000 *l.* less?—Yes; but that is important because it shows the continual tendency outwards.

5028. At that moment, therefore, it is obvious from that state of things there was a demand for bullion?—No doubt about it.

5029. And that the pressure was caused by a demand for bullion?—No doubt.

5030. You had at the same moment the lowest point of bullion with the highest amount of notes in the hands of the public?—Precisely.

5031. And the highest amount of discount in the year?—No; after that, on the 20th of November, the Bank raised its rate to 7 per cent., and we did the same.

5032. Still you had a much higher rate of interest than the ordinary rate?—Much higher.

5033. And much higher than it had been in the previous part of the year; it had been as low as 4 per cent. a few months before?—Yes. That 21,000,000 *l.* was not brought into active circulation even by the rate of interest.

5034. Do not those facts show that the great pressure upon the money market, which caused the increased rate of interest, was created by the demand for bullion to send abroad?—Clearly.

5035. You remember that at that time there was a great demand for bullion for the French market, and the continental market?—Certainly; to supply our China and India demands, we had to go to France for it.

5036. Do you suppose that if you had a relaxing power in the hands of the Bank to issue more notes at such a moment against securities, the effect of that

that would really be to increase the notes in the hands of the public?—I very much doubt whether they would be required.

5037. You think that the existence of the power would be sufficient to calm people's minds, and that they would not require its exercise?—No doubt about it; it is not very pleasant to pay such rates.

5038. The public at that moment were willing to pay 6 and 7 per cent. for advances of capital from the Bank of England?—For the advances of money.

5039. But those advances appear from the accounts to have resolved themselves into an abstraction of bullion?—No doubt it has been caused by an abstraction of bullion.

5040. The mode by which merchants and others obtain advances from the Bank of England is by the discount of bills, or by obtaining advances upon securities?—Precisely.

5041. If at such a moment the Bank of England were to afford facilities by discounting bills, or by making advances upon securities, no one would apply for those discounts or advances but those who required the money which the Bank held?—I should say not, at that rate of interest.

5042. Then it would not be for the purpose of getting notes, but for the purpose of getting bullion in exchange for the produce of those bills or securities, would it not?—I think not; the probability is, that the money then required would be for the settlement of old engagements; no person can trade anew upon 10 per cent.

5043. It was 6 and 7 per cent. at that time?—Yes; but I am assuming that the withdrawal of bullion went on, and that the Bank of England were allowed to issue notes; we assume that they would only issue notes under a very high rate of interest, considerably higher than that; therefore, if the money was wanted, I should say it would be wanted in the main for the settlement of previously contracted engagements which were falling due *de die in diem*, and not, generally speaking, for the purpose of foreign operations, which could hardly stand it; yet with the Bank of France giving certain premiums, we cannot say the extent to which those premiums might carry operations.

5044. You say that it is for the purpose of paying outstanding engagements; when we have an adverse exchange, does it not mean that those outstanding engagements are to foreigners in a larger proportion than our claims are upon them?—No doubt of it; that causes us to pay the difference in bullion.

5045. Then, when we see a diminishing amount of bullion, is not it an evidence that the outstanding engagements which have to be met are to a larger amount than usual to foreigners?—No doubt of it; and hence the necessity of contraction.

5046. At a moment like that, when the bullion is falling very low, that of itself is a sufficient evidence that, in the case of those who go to the Bank of England to obtain facilities by discounts or advances to pay outstanding engagements, a considerable portion of the money is required to pay foreign engagements?—It is difficult to put the question in that way, because the one section of the community knows nothing of the other; one is the manufacturer, for instance, who exports to the continent, or imports his raw commodity; he knows nothing of the man who deals in bullion.

5047. Every variety of person goes to the Bank of England?—Yes.

5048. Is there any other mode by which you can judge of the objects for which the demand exists, than by the decrease or increase of bullion, between domestic and foreign demand?—There is no question that the demand for bullion forms only a small section, so to speak, of the demand upon the Bank in its usual discounts; the people who usually discount with the Bank have no reference whatever to the bullion themselves.

5049. At the particular moment to which you have referred, the bullion was falling week by week?—Yes.

5050. Was not that a proof of itself that it was to meet foreign engagements?—No, it was not. The falling of that bullion may to a very great extent, I think, be accounted for by the extraordinary advantages which occurred in sending out bullion, to China in particular, and to India also. The state of those exchanges left extremely large profits; the consequence was, that these great banks through which many of these operations are conducted, found it quite worth their while to pay six or seven per cent., because they knew that

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they could get immediately a great deal more if they could effect the discount of their bills, and get the money to send out to China.

5051. Is not that a foreign payment?—It was not an old engagement, but a new transaction.

5052. It is either sending bullion abroad for the purpose of making purchases, or for the payment of existing engagements?—No doubt of it.

5053. In either case, therefore, the diminution of the amount of bullion is a proof of demands abroad which cannot be satisfied by anything but bullion?—Clearly.

5054. Therefore when you see a demand on the Bank of England for discounts and advances, and at the same moment see a diminishing amount of bullion, you may take that as a sufficient proof that that demand is caused by foreign engagements, and not home engagements?—It may be so, but the fact is that we may have engagements which we cannot get out of. If we make a Russian loan whose instalments fall due over a long period, they must be paid, and the mistake is not to give timely warning to prevent those things. If we let money be at 4 and 3 per cent., and contractors for railroads, or whatever the things may be, are allowed to enter into those things with foreigners, they must be carried through; they must be paid for.

5055. But for making such payments the increase of notes would not be of any use whatever?—I do not know that it would. Where we want the notes is, to prevent the elements of panic, and also to provide against the accidental withdrawal of bullion for payment of corn, which I suppose is more important still than bullion under certain circumstances, if we should have a famine.

5056. The accidental payment for corn must be in bullion?—Yes; but if we have a famine we must have the corn; we must get through it as well as we can.

5057. You quite agree that there is no mode by which you can modify the demand for bullion, except by raising the rate of interest?—I should say so. I should say that when our bullion falls to a certain point, we had better sound the tocsin at once, and say, we are drooping, and every man sending money abroad must do it at his own peril. That is the first thing to be done.

5058. In your own case, and that of other intelligent dealers in money, the first thing they do is to see whether the bullion has increased or diminished?—Yes.

5059. If they see a diminishing bullion, they look out with great care?—The first step which we take is immediately to look out for our long bills; we say, interest must rise, and we charge a high rate upon our long bills, or will not take them.

5060. You not only look to the exact amount of bullion, but to the fact whether it is increasing or diminishing?—Decidedly.

5061. Because the fact whether it is increasing or diminishing is an indication of the balance of foreign payments being increasing against us, or diminishing against us?—Just so. We do not argue it quite so finely as that; we take it as we see it. If we see week after week a diminution, and that the notes in the Bank are, considering their liabilities, very low, we cannot divest ourselves from the immediate necessity of care, so far as we are concerned, to contract engagements. We should do so immediately, and the public too.

5062. You regard as much more important the amount of bullion in the hands of the Bank, than anything about the amount of notes in the hands of the public, do you not?—I will not say that; there may be times when the notes in the hands of the public, though they be very large, are not to be had.

5063. But as an indication of the proper state of the money market, as respects the supply of money, you regard the bullion as much more important than the notes which happen to be in the hands of the public?—If there is no disturbing cause, decidedly. If there is a large amount of notes for the general currency, it must be somewhere; it is either in the hands of the public or in the hands of the Bank; it is our business as dealers to find it out.

5064. Do you think that the Bank have any power to determine what amount of notes shall be in the hands of the public?—Certainly not.

5065. You think that the public act upon the Bank, and not the Bank upon the public?—The Bank could act upon the public by not discounting, but if so, it would create an immediate convulsion.

5066. But in the ordinary conduct of business the public act upon the Bank, and

and not the Bank upon the public, in determining what the amount of notes shall be in circulation?—This is a point which I am afraid to answer in the presence of those to whom alone it is known. We take for granted that the Bank will defend themselves, and if they have more discounts than they can manage it is perfectly clear that they must have their own means of fitting up their till again.

5067. You say that you would contract the currency by raising the rate of discount. Raising the rate of discount is simply increasing the price for the use of money?—Certainly, but it also signifies to the commercial world that we have a falling Exchequer, and that we must take care and not be spending so much money. As to talking about a foreign loan under those circumstances, when we saw the bullion decreasing half a million every week, which it would do by the scale of half per cent., a man would be a madman to think about it.

5068. Would not the raising of the rate of discount attract capital to this country, and prevent people from sending capital for foreign investment?—I am not so perfectly clear about that point; it may do so to a certain extent, but not to a very important one. I do not think capital is disturbed so very easily.

5069. You have very extensive foreign relations, have you not?—We have.

5070. Do you not find, that when securities are very low in this country there is a disposition for foreigners to invest in those securities?—Not at all. I presume that you are speaking of securities such as consols and our other stocks?

5071. Yes?—I should say not.

5072. Was not there such a disposition in the spring of 1848?—There might have been a speculative disposition, and there was an investment from Russia, I believe, but not as a general commercial matter. The foreigners have been discounters with us, and have not been taking securities from us.

5073. Because the rate of discount has been rather higher abroad than in England?—Yes.

5074. A large portion of the money available in the great mercantile houses will tend to find its way to that spot where the rate of discount is highest?—I should say not, excepting through the houses of the Jews who have connexions at different points of exchange on the continent, and who manage their business without expense, and who do it at a very small rate of profit; otherwise, generally speaking, it is not a commercial operation worth following.

5075. If the rate of discount were kept lower here than the natural price, and the proper price of money determined by supply and demand, and its value in the continental markets, would there not be a tendency for bills upon London to come here earlier and to be realised by discount in the London market, and the proceeds to be remitted in coin?—Decidedly.

5076. Then by that means the bankers upon the continent would anticipate at an earlier period their demands upon London?—They would discount their bills. It would act in this way: if a man at Hamburg could get 7½ per cent. for his money there, and could get money from us at 5½ per cent., which he can at the present moment, he would send over his bills at 5½ per cent., and draw upon his account against it, to use at 7½; he would carry that on as long as he could.

5077. Mr. *Weguelin.*] Are those bills upon Hamburg or upon London, which he would send over?—Hamburg upon London.

5078. But the rate of discount of 7½ per cent. in Hamburg is for bills due in Hamburg?—Precisely. He would not keep his English bills if he could convert them at 5½ while he could discount bills in Hamburg at 7½.

5079. Mr. *Wilson.*] What I understand you to mean is this: that if a banker in Hamburg had in his portfolio 100,000 *l.* worth of bills upon London at three months' date, and if money was worth 7½ per cent. in Hamburg, and he could get those bills discounted in London at 5½, instead of keeping those bills until he parted with them in the usual way of business, he would send them over to London and get them discounted, for the purpose of availing himself of the rate of discount in Hamburg with his money?—Yes.

5080. If the rate of discount in the London market were somewhat below the rate on the continent, the effect would be to drain this country prematurely of its capital?—It would, so long as they had bills to send of a commercial character.

5081. It would therefore tend to create a greater pressure upon the market here than if you in good time raised your rate here?—Yes.

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5082. Therefore you would consider it a protection to the British manufacturer and merchant that you should raise your rate according to the continental fluctuations in good time, so as to prevent that abstraction of capital from this country?—I think it would be completely impossible for us to dress ourselves up to the rate in every town of the Continent. The practical working of it is, to defend ourselves if the stock of bullion is going out, by making it more difficult to obtain money.

5083. A demand from the Continent of that sort to which I have adverted would be immediately felt by a greater demand for discount in the London market?—Certainly.

5084. And it would likewise be seen by the bullion sent abroad as the produce of those bills?—Yes.

5085. Therefore if you take the demand for discounts and the state of bullion in the Bank of England, those, without looking abroad at all, are a sufficient indication to you of the course which you ought to follow?—Yes, that is all we look to. A man says, "If you charge me such a rate, it is not worth my while to send you the bills."

5086. Therefore it comes to this, that the supply and demand regulates itself from day to day, whatever the more remote causes may be?—Precisely.

5087. You stated, I think, that you were sometimes a little above the Bank of England rates, and sometimes a little below the Bank of England rates?—We are.

5088. Is it not the case that when the money market is very full, as it was in 1852 and 1853, when the rates were very low, you are rather below the Bank rate?—On the 1st of January 1852 the Bank rate was 2½ per cent., and ours was 2½; but they continued at 2½ till the 8th of April, whereas we dropped to 2¼ on the 15th of January, so that for two or three months we were below them; we dropped again on the 19th of February as low as 2 per cent.; we were then ½ per cent. below the Bank.

5089. It is at times when the money market is very full that you find the greatest difficulty in employing the whole of your means?—Of course.

5090. Therefore it is at a time when the rate of interest is very low that you are generally below the Bank?—Yes; on the 22d of April the Bank did not like the competition with us, and they dropped the rate to meet it; they made it 2 per cent., as we had been for about two months; then we were obliged to drop ours still lower, because we could not afford to be without the bills; we came down to 1 and 7-8ths per cent., and on the 27th of May we dropped still lower, viz., to 1¾.

5091. Will you state the amount of bullion in the Bank when you were at 1 and 7-8ths?—The amount of bullion in the Bank was 19,000,000 *l.*; the total amount of circulation was 33,000,000 *l.*

5092. Is it not equally the case that it is when there is a great demand for money, and a great scarcity, that you are obliged to be a little above the Bank?—Yes. When the supply in the market is not sufficient to meet the demands, it drives the money dealers to refit at the Bank; it cannot be otherwise.

5093. Then when the Bank of England goes very low, it rather follows the market than leads it?—Precisely.

5094. And when the rate of discount is very high, the Bank again rather follows the market than leads it?—Precisely; there must be harmony between the Bank and the public; if the Bank of England were very much above our market they would get no business.

5095. What little difference does exist between the open market and the Bank, is rather that when the Bank is very low the market is a little lower, and when the Bank is a very high the market is a little higher?—That is generally the case; we do not like to be above the Bank, because it takes our business away to the Bank.

5096. You would therefore only be above the Bank when you rather wished to contract business than otherwise?—Yes, when the demand for money exceeds the supply in the market.

5097. You have stated that the practice which has prevailed of late years of placing a great deal of money at call has very much increased?—Very much indeed with the joint stock banks; they have introduced a new system into the country of great importance.

5098. Is not there a very large business in money coming from the agricultural

tural districts when it is not required, and being supplied to the manufacturing districts through money dealers in London, such as yourselves?—Yes, that is a very large feature; as one character of money is dormant, the other is active.

5099. The country bankers in rural districts send up their unemployed balances to yourselves and other houses?—Yes.

5100. And, on the other hand, the Lancashire and Yorkshire districts require discounts from you for the use of their trade?—Yes, that is the nature of the banking business which we do.

5101. Then by that means the surplus money of one part of the country is made available for the demands of another part of the country?—Precisely so.

5102. The practice on the part of bankers of making short investments in certain kinds of securities, such as Consols and Exchequer bills, has very much diminished of late years, has it not?—We never do it; I only speak for ourselves; it would be very unpleasant to us to hold any fluctuating property whatever.

5103. Bankers used to do so?—I believe they did.

5104. That practice has been very much diminished, has it not?—I really do not know; but to hold anything of a fluctuating character with public money, to my taste would be very unpleasant.

5105. Was not it the case in former times, before this more convenient practice of placing money at call prevailed so much, that these securities were supposed to be fair banking securities?—I believe that a good many houses do hold those securities now; but, after all, there is not much pleasure in holding Exchequer bills. I should be extremely frightened to hold Exchequer bills for the liabilities which we are under. It may seem absurd, but nevertheless it is perfectly true; I could not sleep if that were the case.

5106. You prefer good commercial bills, which are falling due every day in certain proportions?—Certainly; I then know where we are, and no circumstance whatever, humanly speaking, could put us in any trouble.

5107. You know from your bill book the amount of money which you receive day by day from these bills falling due?—Yes; and I have no hesitation in saying, that in 1847 if we had held Exchequer bills we never could have made our payments, but as it was, we had not the slightest difficulty. We only applied to the Bank three times in 1847, I believe, out of the ordinary course, namely, on October the 19th, 20th, and 21st, for any discounts at all, and even then we should not have applied if we had not had a previous communication with the Bank, in which they said that in case of our wanting money, they would let us have anything which they possibly could. We had the pleasure of going on the 19th of October. They said, "You may have the money, but you must pay us 10 per cent. for it." That was our experience of the value of our bills of exchange, they carried us completely through everything; but if we had then had Exchequer bills the Bank could not have given us money upon Exchequer bills, and I could not have asked them to do so; and as to selling them, it was impossible.

5108. The best description of security which a banker can take is those securities which are falling due from day to day?—That is our experience.

5109. Do you remember the time when Exchequer bills were receivable for duties?—Yes, perfectly.

5110. Were they more saleable then?—I think they were certainly, because they became then a sort of bill of exchange in one sense; they are receivable under certain circumstances, and by a given day they have a very great advantage over India bonds.

5111. They would be like a Customs note?—There is always a certain degree of clog about them. I am speaking of difficult circumstances in the money market. People who had to make large payments into the Exchequer for duties would of course buy Exchequer bills, if at a discount, for that object, and to a certain degree it gives them an additional market value.

5112. Supposing that a man had to clear a large quantity of tea or wine or spirits, he could use Exchequer bills for that purpose?—If they were at a discount, not otherwise.

5113. Supposing he got them at a very small discount, a very small discount would be sufficient to induce him to take Exchequer bills rather than notes?—Supposing a man had to pay 1 *s.* per cent. to his broker for buying the Exchequer bills, and he then gets something for his trouble, it would not be worth while unless

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unless he could buy them at 3 *s.* or 5 *s.* discount. No doubt that gave an additional security to Exchequer bills.

5114. It was always a security against any very considerable depreciation?—I should say it was, but after all, when you come to such a state of the market as in 1847, and at other periods, you cannot sell Exchequer Bills; and as to India bonds, you may just as well have so much blank paper. I do not mean to say that at a tremendous depreciation you might not find some persons willing to purchase them, but in the ordinary course of things you could not depend upon them for the realisation of a large amount of Bank notes.

5115. At such a time you would much rather have bills of exchange?—Most decidedly; I know where we are then.

5116. Supposing that you are about to employ your money at such a time, you would rather employ it in bills of exchange with two months to run?—Decidedly; let us have nothing fluctuating upon any account.

5117. You state that the field for the employment of money has very much increased?—Immensely increased.

5118. The channels of demand for it are very much more numerous?—Very much more; very many wealthy people about the country have become borrowers of money upon undoubted security.

5119. Do you think that much of the railway stock is still floating with loans upon it?—No doubt about it. I do not know the extent, but nevertheless there are advantages offered in connexion with it, and no doubt many of the country bankers about the country have lent large sums of money upon it, and perfectly securely.

5120. It is perfectly secure so long as there is a proper margin, and the money is not required for other purposes?—That is their affair; you may lend money upon London and North Western Stock with 20 per cent. margin; it is a very good security.

5121. Are you of opinion that the capital which has been used to make railways still consists of some considerable portion of borrowed money?—Certainly; there is no doubt that a considerable amount of railway debentures is held by the banking interest.

5122. Do you think that there is any great abstraction of capital from this country for foreign railways and undertakings?—Yes, considerable.

5123. That again is rather a new source of pressure upon the capital?—No doubt about it.

5124. There has been a very great increase of foreign trade within the last three or four years?—An immense increase.

5125. That again has led to a great demand for capital from the manufacturing districts, has it not?—No doubt the capital required by the manufacturing districts for the conduct of their own concerns is very much augmented.

5126. When there is an increase of foreign trade, is it not the case that consignments of British manufactures abroad are generally represented by bills drawn by the manufacturers upon the shippers at considerable dates?—Yes.

5127. Is it not frequently the case that an understanding exists that those bills are to be redrawn from time to time?—That is a thing which they keep from us; we should not admit any bill of that sort; we should be alarmed if we thought that any bill was founded upon that principle; we should discard it at once; I dare say it is done, but I cannot speak to a thing of the kind.

5128. It would not be done avowedly?—No.

5129. If there is a large increase of the exports of the country, as there was last year, of 20,000,000 *l.* in one year, will not that naturally lead to a great demand for capital for the discount of bills representing those exports?—No doubt.

5130. Inasmuch as this country gives credit, as a general rule, to foreign countries for all exports, it would be an absorption of a corresponding increase of capital for the time being?—This country gives an immense credit; but then it takes credit for its raw material. We are drawn upon from America always at 60 days, and from other parts at 90 days. On the other hand we give credit; if we send goods to Germany we give two or three months.

5131. With regard to the importation of raw materials and produce, are not the bills drawn upon this country generally at the time of shipment from abroad, and do not they even accompany the bills of lading?—I suppose that is the case.

There

There are others present who can answer that better than I can, in their mercantile character.

5132. The exports to Germany are done upon nearly the same principle, are they not?—I suppose so. Then the same thing takes place with America. When a man sends a bill of lading away, I presume (this does not fall within my particular line of business) that he draws upon the party for the amount which he has ordered, simultaneously with the transmission of the bill of lading. In the same manner, from America, if they send us sugar or cotton, or whatever it is, upon shipping it to us they draw upon us.

5133. Do you happen to know whether it is customary to draw upon the United States for the goods sent out there?—No, it is not; that is managed in an entirely different way; but the goods are symbolised *in transitu* nevertheless. Those bills are not drawn direct upon America; they are drawn upon the great American bankers here at four months, and are remitted for by their houses abroad to meet those engagements; so that it is putting it in a different shape.

5134. The shipper of goods here for America draws upon a great American house in this country for them?—Yes.

5135. And the correspondent who has ordered those goods must place the American house here in funds by the time that bill becomes due?—Yes; that is, as I understand, the course of the American trade.

5136. As a general rule, are not the more remote transactions conducted by the merchant, who waits for his capital until the goods are sold?—There may be houses of great private wealth who can afford to lay out their own capital, and not take any advance upon the goods; but the most part are converted into advances by the acceptances of some well-known established houses, whose acceptances the parties making the advances are willing to take.

5137. Those houses are generally resident here?—Yes; either in London or Liverpool, or elsewhere, wherever they may be.

5138. Therefore, it makes no difference whether the manufacturer lies out of his money, or whether he gets a merchant in London or Liverpool to advance it; it is still an advance in this country?—Precisely. The manufacturer in few cases has anything to do with it. A man dealing in manufactured goods, for instance, at Manchester, will buy his goods and ship them through a house of respectability in London; when the London house is satisfied that they are all packed according to the understanding, he draws upon this London house for six months against these goods to India or China, or wherever they are going; then the banking world comes in and discounts that bill for him; so that, by the time he has to pay for those goods, he has the money all ready by the discount of that bill.

5139. Although he has the money, the banker is lying out of the money?—The banker has the bill; the banker has bought the bill; he uses his banking capital in that form, namely, in discounting commercial bills.

5140. Still that forms part of the demand upon the money market in London?—No doubt; it is the substantial occupation of the money market and of the Bank of England. The Bank of England are as glad to get these bills as we are, because they know them to be good property.

5141. In that way, as the export trade increases the demand upon the money market increases also?—As the prosperity of the country increases, we partake of it.

5142. Then when these various fields for the employment of capital increase suddenly, of course the natural consequence is, that the rate of interest is higher?—No doubt about it. As there is a demand for money to meet the increasing engagements (last year to the extent of 20,000,000*l.*), money gets scarcer, and we charge a higher rate for the use of it.

5143. Are you of opinion that the great prosperity of the country for the last two or three years, and the great development of these various fields for the employment of capital, is one of the chief causes of the high rate of interest which we have had prevailing during that time?—There can be no doubt about it; it is a very strong element, perhaps the main element. There is one thing which is very extraordinary, and which I cannot quite understand, namely, that under our large exports we have had such occasion for bullion. One would think that our great exports would have supplied all our foreign exigencies, but, somehow or other, it appears that the bullion has gone out, notwithstanding.

5144. May it not be, that we give larger credits upon our exports than we take

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take credits upon our imports?—I rather doubt that point myself. If a man accepts against his Manchester goods sent to India, you cannot accept for less than 10 months. We have had to pay America for her cotton (that is perfectly true) some time before India pays us; but still it is rather refined in its operation.

5145. If we have had an increase, as we had last year, of 20,000,000 *l.* in our exports of manufactures, we must have had a very large increase of imports of raw material previously to that, in order to make up that increased quantity of goods?—No doubt.

5146. And all that increased quantity of raw material has been paid for by this country before the goods are exported, or, at all events, before the payment is received for the goods?—No doubt; we should have to pay a very considerable balance, that is to say, the balance, no doubt, would run against us during that time, but in the long run, with America (for I will assume that to be the great supplier of cotton) the exchanges are in our favour, and we have been receiving for some time past large supplies of bullion from America, notwithstanding that, which shows that the balance is on our side.

5147. But though the balance may be on our side, which only shows that we send more to America than we receive from America, at the same time, may it not be, as far as regards the employment of capital, that we are paid for our goods long before we receive payment for them?—That is perfectly true; but then it shows that we can afford to do it by their having to pay us money on balance.

5148. Then, upon the whole, you would be of opinion, that a high rate of interest for a considerable period of time (I do not mean a temporary high rate, caused by pressure or panic) would be an indication of great prosperity and high profits, rather than the reverse?—It cannot exist without great prosperity, for what man can afford to pay these high rates of interest, except he has a trade which yields great profit? It is because his trade is so profitable, that he can afford to pay this high interest. There are some who cannot help themselves; they have engagements to meet, and they must fulfil them, whether it is profitable or not; but for a continuance, it would indicate prosperity.

5149. You would make a great distinction between a short period of pressure as we had at the end of 1847, when the rate of discount ranged from 6 to 8 per cent., for two or three months, and the last two or three years, when it has been raised?—Certainly; the one was accidental, and soon passed away. It was a very curious circumstance, in 1847, after the Government letter came out, how very soon things resumed their natural equilibrium of supply and demand in the money-market. Within two days after that letter came out, I went myself to the Bank, and begged as a great favour that the Bank would let us have every bill that we had sent in to them within the three previous days. They said at once that they would be very glad to do it, if they could, but that it would give a good deal of trouble. They saw that I was very anxious about it; they said, "You do not like the rate of interest" (the Bank reduced it from 10 to 9 per cent.) "No," I said, "I never paid that in my life; I should be very sorry to pay it now, and should be very glad to have the bills back." I mention that circumstance to show you, that as soon as that panic was over, everything came as natural as possible, and there was more money presented to us than we could use; we should only have been too glad to have had those bills back again. We should have been thankful for them, at a considerable loss.

5150. I think you stated that you did not know anything about the Scotch and Irish banks in their mode of conducting their business at home?—I think that their occupation of money is so entirely different, that I do not think any opinion which I could possibly offer would be of the least value.

5151. In the money market in London, have not the Scotch banks always stood in high reputation?—Yes; they have sent their superfluous money to London and other places, not having occupation for it at home.

5152. From your recollection, for many years they have always stood in very high reputation for credit?—They have.

5153. You have regarded the Scotch banks as being very substantial establishments, and in very high credit?—Very much so, with only very few instances to the contrary; we have never had to regard them but as sending superfluous money; the question of their credit has not come under notice.

5154. They

5154. They have always had a great effect upon the money market?—Yes; I think so. They are great holders of the public funds.

5155. *Chairman.*] Mr. Hubbard, in his evidence before this Committee, put in a statement with respect to the discounts of the Bank of England, and he made this remark upon it, in answer to Question 2759: "It exhibits in a very remarkable manner how fallacious is the idea which has been popularly entertained, that the restriction of banking accommodation to the public by the Bank of England, is tantamount to, or concurrent with, a rise in the rate of interest. The public generally appear to have reversed the position of the action of the Bank. It has been the increased demand upon the Bank for discounts, which by raising the value of money, both out of the Bank and in the Bank, has forced the Bank to make larger advances; and you will find that concurrently with the rise in the rate of discounts, there appears always a considerable increase in the advances made to the commercial community, and *vice versâ* with a falling rate of discount." Then he is asked this question: "So that when the rate of discount is lowest, the amount of the Bank advances is smallest?" He says, "Yes."—That is true.

5156. With regard to your own concerns, do you find that when the rate of interest is the highest, the quantity of bills under discount is the largest; and that when the rate of discount is the lowest, your advances are the smallest?—It would be extremely difficult to answer that question. The fact is that I should say that our discounts, taking the present moment, when we have had for so long a high rate of interest, are at their maximum, that is, under a very high rate of interest. I cannot answer what our discounts were at the time to which I have referred; we did not then keep them; but we do now keep them tabularly, so that I know them accurately; when our discounts were down to 1⅞ per cent., I cannot say what they were.

5157. Mr. *Hankey.*] Do you not know whether your discounts were larger in 1852 than they were in 1856?—I should say they were not nearly so large.

5158. *Chairman.*] Do you find a great fluctuation in the amount of bills offered for discount?—I think we keep pretty equal.

5159. Still, so far as your present impressions go, you would say, that when the rate of discount is high your advances on bills are larger than when the rate of discount is low?—I do not think there is any real criterion in that; there is no question of this, that if there was a great flood of money in the market, which would be indicated by the Bank rate being so low, we should get a decrease of bills, and the probability is, that under an extraordinary increase of business throughout the country, we should be much larger in our operations than we are now. In 1852 there was a totally different phase of things. The exports and imports of the country were as nothing then compared to the present; but if the same amount of business had been doing in 1852, when money was so low, as has been doing this year, no doubt our discounts would have been greatly increased, and for this particular reason, that we should have been obliged to cut under the Bank.

5160. Mr. *Weguelin.*] Do you find that the average amount of discount is about the same in all years, whether at a high rate of discount or at a low rate of discount?—No; I should say that you cannot state that; I think we are affected a good deal by the general position of the country; the discounts in 1857 run parallel with 1854.

5161. That is to say, the commercial community in one year require larger advances in the shape of discount than in another year?—I can only speak out of our own book; I cannot say as to that; I can only say that the figures of our returns show that under this high rate of discount, our discounts are as large as hey were in 1854.

5162. Mr. *Hankey.*] I understood you to state that, as a general rule, you approve of the Act of 1844, as regulating on a fixed principle the currency of this country?—I do.

5163. But at the same time I also understood you to say, that you would allow the infringement of that Act under any one of the following four circumstances, namely, panic, sudden drain on account of bad harvests, war, or unjustifiable hoarding?—Yes.

5164. And the nature of that infringement would be, that you would require

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at that time that the Bank should make additional advances, but at fixed increased rates of discount?—Yes.

5165. Am I to infer that those advances might be to an unlimited extent, at the discretion of the Bank?—Yes, always assuming that the rate has risen up to a point which would check all speculative transactions and exports of bullion.

5166. I understood you also to say, that you would regulate that by an Act of Parliament?—I would give that power to the Bank, under certain fences.

5167. But under an Act of Parliament, you would so modify the Act of 1844, that in making a new Act you would have a scale under which the Bank might, under particular circumstances, make increased advances?—I would.

5168. Having given to the Bank that power, would you also regulate by the same Act the mode in which they should return to what I might call their normal state?—I would; but fencing it as to the rate of interest, so as to preclude the possibility of any danger to our bullion.

5169. Do you think it would be possible, by an Act of Parliament, to make stipulations contingent on four events which might occur, two, three, or four together, or any one of them singly?—I should leave that in the discretion of the Bank of England; I say this, that the present Act is defective in its want of provision against those things, and it is impossible for any person to say how those things shall take place. All we know is, that at the present moment we are liable to be brought into a state of convulsion through panic; I will take that in the first instance. Everybody acquainted with our commercial circle must know that when we are in such a state that we find it impossible to sell Exchequer Bills, when India Bonds are perfectly useless, when you cannot discount the first commercial bills, there must be great anxiety on the part of those whose business renders them liable to pay the circulating medium of the realm on demand, which is the case with all bankers. Then the effect of that is to make every man double his reserve. Just see what the result of that is throughout the country, that every country banker, of whom there are about 500, has to send up to his London correspondent to remit him 5,000*l.* in Bank notes. Taking such a limited sum as that as the average, which is quite absurd, you come to 2,500,000*l.* taken out of the circulation. How is that to be supplied?

5170. Am I to understand that you would wish in framing such an Act of Parliament to leave it entirely in the discretion of the Bank to determine whether panic had occurred, whether a sudden drain on account of a bad harvest had occurred, whether war had occurred (which certainly would be very manifest), or whether unjustifiable hoarding had occurred. All those four events with the single exception of war, perhaps (which might be very manifest), would be questions which might involve considerable difficulty in their determination, and would require great discretion; would you leave in that Act of Parliament an entire discretion on the part of the Bank as to whether those causes had arisen, and whether the time had arrived to act accordingly?—My answer to that is, that discretion must rest somewhere, and whether it rests in the breast of the Bank Directors, or in the Government, or in the two concurrently, is unimportant to me, provided we have that safety-valve to our system.

5171. Then you would have it rest either in the Bank of England, or in the Government by Act of Parliament?—I would decidedly.

5172. And would you prescribe by Act of Parliament, not only when these increased issues should take place, but when they should begin to diminish?—No, perhaps that might be undesirable. The framing of an Act is not within my province. In laying before you my mind, it was incumbent upon me to show you under what circumstances we must make provision; but the framing of an Act is so foreign to me that I cannot offer an opinion upon it.

5173. However, you think that the Act of Parliament ought to define when these increased issues should take place, and consequently it must define when they are to stop?—Suppose we put it in a general way, such as this: Forasmuch as certain circumstances may arise to cause great pressure and confusion in our monetary system (which everybody must confess to be highly artificial), therefore we make such and such provision. What is our system? Our system is this: That we have 300,000,000 *l.* of liabilities which may be called for at a single moment to be paid in the coin of the realm, and that coin of the realm, if the whole of it is substituted, amounts to 23,000,000 *l.*, or whatever it may be; is not that a state which may throw us into convulsions at any moment?

5174. Mr. *M. T. Smith.*] Am I to understand you to say that you would not object

object to the Act of 1844, but that you would allow it to be mechanical when things were easy and prosperous, and discretionary when they were difficult and uncertain?—I think I have stated that long before there can be any danger of our jeopardising our bullion and our specie payments, it should be obligatory upon the Bank to raise the rate of interest to a certain sum, which should be matter of consideration. If the bullion still decreased, they should still be obliged to raise their rate of discount till it reached 10 per cent., and even then we should have 5,000,000*l.* in the Bank; but the public would know that under any possible circumstances they would have a circulating medium to settle their affairs, and the money never would be required.

5175. That is all against the principle of the mechanical part laid down in the Act, namely, the issue of paper against gold?—With regard to my approving of the mechanical part, I answer in the abstract, that the grand principle of the Act of 1844, which makes the issue of the circulating medium rest upon certain defined principles, I greatly approve of; the mechanical part I did not enter into at all.

5176. Mr. *Hankey.*] I also understood you to say that you considered it very defective that there should be a state of affairs possible to arise by which acceptances of such houses as Messrs. Baring or Messrs. Loyd should not be discountable at the Bank?—Yes; or Exchequer bills unsaleable.

5177. Do you mean by that that you think that they ought to be discountable on compulsion, in the same way that a Bank of England note is now exchangeable against gold by compulsion?—I think it would be a very lamentable thing that they should not be discountable; a most extraordinary position, that a man should stop payment who had the acceptances of Smith, Payne, or Jones Loyd in his hands, because he could not get them discounted.

5178. Is not the engagement of Messrs. Baring an engagement to pay a certain sum of money when the bill is due?—That is perfectly true; but Messrs. Baring, when they contract that engagement, and every other merchant who contracts an engagement, never dream that they are going to pay it in sovereigns; they expect that they are going to pay it at the clearing-house.

5179. Still they make no provision for paying it, otherwise than at the time when it is due?—Undoubtedly.

5180. Do you think that there should be any machinery contrived by which the public would have a right to claim money before that bill was due by calling upon somebody to discount it?—No, not from the acceptor; but if you mean by that that we are not to have the possibility of getting commercial bills discounted, we must alter the whole constitution of things. If a man is to stop payment when his case is filled with hundreds of thousands of pounds of the finest bills in the world, because they are not due till the following day, we must indeed begin upon a new principle.

5181. I am not talking of the probability of a man stopping payment, but as to the expediency of making a bill of exchange discountable by compulsion?—It forms part of the commercial assets of the country, and should be convertible the same as an Exchequer bill.

5182. Then you think that it ought to be convertible into money, exactly in the same way that a Bank of England note ought to be convertible into money?—Most decidedly so, under certain circumstances.

5183. Those circumstances being entirely at the option of the person who holds it?—I say that we should make provision in our currency that the commercial business of the country should be maintained, which cannot be done if people cannot discount bills of exchange.

5184. Then you think that the provisions of the currency should be so shaped that a bill of exchange of undoubted character ought at all times to be as readily exchangeable against money as a Bank note?—I do.

5185. Mr. *Puller.*] You do not mean to say that either the Bank of England or any individual should, by law, be compelled to exchange it?—I mean to say this, that in framing a bill for the currency, we should make provision to prevent the possibility of an inconvertibility of the bills of exchange of the country arising, assuming them to be undoubtedly solid and legitimate.

5186. But you would meet that by providing that there should be such a supply of money that there should be no difficulty in negotiating them?—Precisely.

5187. You would not compel the Bank to take any particular bill, or any

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individual capitalist to take any particular bill?—Certainly not; they must use their own discretion; but at any rate, a man who has the first class of bills of the country should have no difficulty in converting them, or even Exchequer bills, because the Government are as much interested in this matter as we are.

5188. Mr. *Hankey*.] I think that all the provisions were confined to the understanding that the Bank rate was the regulating rate of the interest of the money in the country; but as the other establishments have larger amounts, would not the larger amounts have a great weight, at all events, in regulating the rate of interest in the country?—There is no doubt that they have; as I have stated, each acts upon the other.

5189. When the Bank rates are below the market rates, do not the money-dealing houses in Lombard-street depend upon being able to re-discount the bills which they discount by applying to the Bank of England?—You may say that they, in one sense, depend upon it; they know that there is a *point d'appui*, and hence they are never very far off from the Bank rate, unless there be a flood of money. A man does not fall very far from the Bank of England rate on account of that very circumstance which you have mentioned, namely, that in case he is driven to convert at the Bank, he converts at a loss.

5190. If at any period shortly subsequent to such employment of money, as discounting bills by the discount houses in Lombard-street, the Bank were to be placed in a position as to their reserve that they could no longer discount these bills for the Lombard-street houses, would you think that a time when an infringement of the Act of 1844 ought to take place?—I have no hesitation in saying, that assuming that those bills were all representing the true commerce of the country, and all of undoubted security, it ought to take place, because the money-dealers of the country only, in point of fact, represent the public; they are only the medium by which the facilities in the banking world are managed. If the money dealers did not come to the Bank, the public would have to come direct. I have seen very many instances of it, where a money dealer has not held the bills, and the Bank have thought it expedient to discount them for the persons direct. But inasmuch as it is infinitely better done through the money dealer, who has all the sympathies of the market with him, and if there is 10,000 *l.* in Lombard-street he can find it, and bring it forth as long as there is no panic, it is a relief to all parties to do it quietly through the money dealer.

5191. Do you think that if at any time the Lombard-street money-dealing houses have such an accumulation of bills of exchange on their hands as to feel themselves in a position of pressure, they have a right, or ought to have a right, to come upon the Bank of England; no matter what is the state of the reserve of the Bank of England at that period?—I consider that every person of proper delicacy would abstain from doing so; but the effect would be this: the money dealers would not be in a position to be hurt by it, but the public would be hurt by it; a money dealer, if his affairs were in proper order, would soon rectify himself, assuming that there was no malicious feeling on the part of the Bank, which it is difficult to imagine. For instance, give us two or three days and we will never ask the Bank for a shilling; but then the Bank must discount for the public, and, in consequence, the Bank would have to discount to an immense amount. Suppose we stopped our discounts, the increase of discounts at the Bank would be quite frightful.

5192. Then you think that the Bank of England could not stop discounting for the discount houses in Lombard-street, at particular times at least, without creating great injury to the commercial community?—I think it would create very great injury indeed. Of course the Bank Directors would use their own discretion; if they saw these houses discounting very long bills with them, and bills which were not suitable in any way, I take for granted they would not take them. Of course that would not affect the general question; but assuming that there is a drain upon the monetary system, and that the great money dealers are driven to convert their bills more quickly than they fall due, I think it would be a very great calamity for the Bank to hesitate for a single moment; I cannot conceive any greater.

5193. No matter what the reserve of the Bank of England was at the time?—Certainly.

5194. Then you think that that is one of the grounds, in addition to those four which you have stated, which ought properly to be included in an Act of Parliament as a ground for infringing the Act?—I hardly understand that point.

5195. You

5195. You gave four grounds as reasons for an alteration of the Act at particular periods, but you did not enumerate that to which I have just alluded. Do you think that that is one which ought to be included in the provisions of the Act of Parliament?—I will mention a case, if you will allow me to refer to the house which I represent, because this is a fact which has taken place before. About 20 years ago, the Bank tried to adopt that course; I am obliged to speak personally, which I hope you will excuse. I happened to have been absent from London for three or four weeks; I came back to town, and found the whole of Lombard-street as if we had had a dark cloud hanging over it; our desk was piled with bills of the very finest commercial character; I said to my partner, "Mr. Gurney, what in the world has happened? Why do you not discount these bills?" He said, "Because the Bank have intimated that they are doubtful whether they will discount for us." I said, "It is impossible." He said, "It is perfectly true; and therefore we will not discount the bills." I was quite shocked; I went over to the Bank, the Governor then was Sir John Rae Reid, and Sir Henry Pelly was the Deputy Governor; it was about 1839. I told them exactly what had taken place, and what the effect of their act had been. I said, "We have taken care of ourselves; it is not that we want the money for ourselves, because we have our bills to rely on, and unless there is a regular conspiracy, we shall not mind anybody. But we have to supply the public. You have stopped the issue of notes to us; and if you, who have been in the habit of supplying us with money when we required it will not do so now, we, on the other hand, will not supply the public." I satisfied them that if they wished to curtail transactions, which was really their object, the way to do it was to make us act harmoniously with the Bank. Sir John Rae Reid said at once, "I perfectly understood you;" and after a little consultation he said, "If they are all proper bills go and discount away, and if you want money come to us." I went home, and told them what had taken place. It not only affected us, but it affected the whole of Lombard-street; this dark cloud disappeared, and a perfect sunshine took place in an instant. We discounted every thing; and, as far as my memory serves me, I do not think we went to the Bank for a shilling; there was no interruption to the ebb and flow of the banking money. But when the Bank of England said, "You shall not have it," the effect was to lock up millions immediately; for a large portion of the banking money deposited with us is in great masses, because the parties know that they can have it in a moment. If, in our own arrangements between ourselves and the Bank, the Bank say, "We will not do this," all that is stopped in a moment; and those millions, which would otherwise be of benefit to the public, under existing circumstances become immediately locked up; because people say, "We would rather have no interest at all, than have a doubt about our getting the money in case we require it."

5196. Leaving out the question relating to your own house, do you think that it is prudent for a house carrying on such a business as a discount house in Lombard-street, so to manage their business that they will be obliged, under certain circumstances, to go and discount their bills at the Bank of England?—I should say most decidedly not; that it ought to be the exception and not the rule. I think you may see by our transactions how we manage our business in that respect. During the quarters, I think it is not only natural, but absolutely necessary, that we should go to the Bank of England. When you abstract from the circulation 6,000,000 *l.* or 7,000,000 *l.* of revenue in anticipation of the dividends, somebody must be the medium of supplying that in the intermediate time; but otherwise I should not like to carry on our business through the Bank of England. I would not thank anybody for any profit which we might ever obtain from it.

5197. I think you have said that the best security which a banker can hold are bills of exchange?—Most decidedly.

5198. Are not large advances made by the Lombard-street houses on securities other than bills of exchange?—I should say not; it is the exception, and not the rule.

5199. Do you not, of your own knowlege, know that large advances are made on the security of dock warrants?—Certainly, advances to a certain extent; but as far as my knowledge goes it is upon warrants either sold or in the course of sale, and not by any means to encourage a speculative transaction.

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5200. Has it not been frequently the case that very large advances, to your own knowledge, have been made by discount houses in Lombard-street on the security of dock warrants pledged by various houses in Mincing-lane?—Very likely they run up to a certain amount; but no man would advance more than a very limited amount upon those securities. Nevertheless, when the advance is made in a proper form, there is no objection to it, assuming that it will expire in two months.

5201. Do you think that it is a safe mode of placing out money lent at call to make advances on dock warrants or on railroad securities?—No, I should not use such money for that purpose; but that is no reason why a house should not use its own capital.

5202. My question referred to placing money borrowed on call?—I should certainly not do it; I should never use any securities of the sort for such a purpose.

5203. Then you think it is not a prudent thing for a discount house to employ money borrowed and held at call by making advances on dock warrants, or any such security?—That is merely a question of practical experience; it is the same thing whether a man or the Bank of England lends money upon debentures of railroads, or whatever it may be; it depends, to a certain degree, upon their circumstances. All I know is, that I should never lend money to encourage a speculative transaction, upon any consideration. But if a merchant came to me, saying, "I have sold 20,000*l.* or 30,000*l.* worth of indigo in yesterday's sale, to be paid for in three months; will you lend me the money in the meantime?" I should say, "Certainly;" and consider it a perfectly legitimate transaction.

5204. Are not the large speculations which are carried on in the colonial markets carried on by the assistance of the discount houses in Lombard-street?—Certainly not; we should never lend ourselves to it.

5205. They are not carried on, or assisted, to any great extent, to your knowledge, by the houses in Lombard-street?—Certainly not; not anything of a speculative character whatever.

5206. You are aware, as you have referred to the habits of banking business, that it is the habit of the Bank of England, as well as, I believe, of other bankers, to keep a certain amount of their deposits in Bank notes in reserve?—Certainly.

5207. Do the money-dealing houses in Lombard-street act on the same principle with regard to that money which is left in their hands at call?—They could not afford to do it; it is not the nature of their business, except under circumstances of danger as to the currency; they could not afford to pay interest for money and not to use it; it is the nature of their business to bring into action and useful employment the banking money of the country; it is their business to use it.

5208. Do you then think that they may safely use all the money which they borrow, in lending it out at interest, provided it is on safe security?—Assuming that they employ it on bills of exchange falling due *de die in diem*, then experience shows that they may do it safely, without any hazard.

5209. Without keeping any reserve beyond a banking balance?—Certainly. How could I afford to pay 5 or 6 per cent. for money, if I did not use it? It would be certainly the road to ruin. It is a different thing with a banker who pays no interest.

5210. I understood you to say that the business carried on by your house, and other houses in Lombard-street, is of the same nature as that carried on by the great London joint stock banks, with the exception of their carrying on, as combined with it, the common banking business?—The joint stock banks have decidedly run into our business, and they have added to it the common banking business.

5211. Is it within your experience that the great London joint stock banks, such as the London and Westminster, and other banks, re-discount their bills?—I never heard of such a thing.

5212. But it is usual with the discount houses to do so?—Yes.

5213. Did you ever see a bill out, in Lombard-street, with the endorsement of the London and Westminster Bank?—Certainly not.

5214. Or of the London Joint Stock Bank?—Certainly not.

5215. Or of any one of the principal banks of that character, in London?—I should say, of none of those banks.

5216. Then

5216. Then, in that respect, the London joint stock banks differ materially in their mode of carrying on business from that which is adopted by the discount houses in Lombard-street, do they not?—Certainly they do; because it is our business to sell our bills again, if we want to do it, and they do not sell their bills again, that I know of.

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Veneris, 24° die Julii, 1857.

MEMBERS PRESENT.

Mr. Ball.	Mr. John Lewis Ricardo.
Sir Francis Baring.	Mr. Martin Tucker Smith.
Mr. Cayley.	Mr. Spooner.
Mr. Ennis.	The Chancellor of the Exchequer.
Earl of Gifford.	Mr. Tite.
Mr. Glyn.	Mr. Vance.
Mr. Hankey.	Mr. Weguelin.
Mr. Hildyard.	Mr. Wilson.
Mr. Puller.	

THE RIGHT HON. THE CHANCELLOR OF THE EXCHEQUER, IN THE CHAIR.

David Barclay Chapman, Esq., called in; and further Examined.

5217. Mr. *Spooner.*] YOU perfectly well recollect the state of affairs in October 1847?—Perfectly.

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5218. Will you inform the Committee what, in your opinion, it was which led to that state of affairs?—There had been, in the early part of the year, a very great contraction of our currency from the loss of our bullion; we had a bad harvest, and in the early part of the year we began to feel it sensibly; we had a great pressure in April of that year, and afterwards it recurred with increased violence in October; therefore, the primary cause of the derangement of the money market no doubt was in the quantity of money which was required to regulate our exchanges, in consequence of the extraordinary importations of the year.

5219. What was the effect upon the inland commerce and trade of the country of the necessity under which the Bank was to restrict its issues, in order to prevent bullion going out?—The effect certainly was to make the fulfilment of engagements difficult, and to create a great many failures. We had more failures in 1847 than I think were ever known.

5220. What would have been the effect if the Letter of 1847 had not been issued?—We should then have got into a complete fix; there is no question of it.

5221. Do you mean that all commercial transactions would have been at an end?—I mean to say that the clearing-house could not have been settled.

5222. What would have been the case in the country?—One universal convulsion.

5223. Nobody would have been able to have met his engagements, and nobody would have been able to have employed the labouring classes?—Clearly so, unless we had adopted another mode, namely, barter. If we had each of us agreed to pay with bills of exchange, how far that might have settled it I cannot say.

5224. Do you think that, under the existing law, a very great drain of bullion, either by the importation of corn or by the necessity of carrying on war, would be likely to produce the same effect?—I think most decidedly it would, if it went to such an extent as to reduce our currency below what is absolutely necessary for the settlement of affairs from day to day.

5225. What amount of Bank notes do you look upon as being necessary to enable the country to carry on its own internal engagements?—I think at least from 18,500,000 *l.* to 19,000,000 *l.* is absolutely necessary to be in the hands of the public, according to experience.

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5226. And in order to maintain that amount in the hands of the public, what should be the minimum amount of reserve in the Bank of England?—That is a very difficult question. I can tell you what affects our own minds, that unless there be a large floating amount in the hands of the public easily come at, if the Bank of England goes below 4,000,000 *l.* or 5,000,000 *l.* it makes us look about us very sharply.

5227. In October 1847, if I remember rightly, the notes held in reserve by the Bank were under 2,000,000 *l.*, were they not?—On the 4th of November it appears that there was only 1,176,000 *l.* in reserve.

5228. And you think it very likely that such an event may happen again, if any very great drain for bullion takes place in this country from any cause?—I cannot see how it can be obviated. There is a given amount of notes, and they are held either by the public or by the Bank. If the public hold them the Bank do not, and *vice versâ*.

5229. Could you suggest any plan by which you think that such a crisis might be prevented?—I see no plan beyond the power of extending our issues, as I have before observed, under such special circumstances.

5230. Under those circumstances, you would give to the Bank a discretionary power of increasing its notes, notwithstanding the Act of 1844?—A power should exist somewhere to give relief under such circumstances, and also to prevent the consequences of a panic; it is that which we suffer most from.

5231. Had you not a conversation upon this subject with the late Sir Robert Peel during the passing of the Act of 1844?—I had a very important conversation with him twice or three times.

5232. Will you state what that conversation was?—I felt it my duty, in the position which I held in the money circle, to explain to him the danger, as I thought, of the Bill which was then proposed to be brought forward. I represented to him the extraordinary amount of obligations in the country liable to be paid on demand in the currency of the realm, consisting of bankers' balances in the first instance, and also of bills of exchange maturing from day to day. I then showed to him that these must be settled from day to day at the clearing-house, according to custom, with the circulating medium then existing; and if the circulating medium from any cause of disturbance were reduced to a very small sum, I satisfied his mind, as I believe, of the great difficulty, if not impossibility, of thus settling those matters. Sir Robert, after the first interview, desired me to see him again, which I did, and at last he said to me these words: "Mr. Chapman, there is always recourse to the Queen in Council;" upon which I immediately bowed to Sir Robert. I said, "I do not occupy your time a moment longer; I am perfectly satisfied;" and the interview ended. He afterwards wrote me a note, in the April following, saying how glad he was to see that the crisis had passed through, notwithstanding the pressure which had existed.

5233. That was in the April of 1848?—In the April of 1847.

5234. Then it was before the great crisis in October 1847, of course?—It was.

5235. Did he write you a similar congratulatory note after that?—He did not.

5236. Your opinion is that that should not be left merely to an Order in Council, but that there should be some power constituted which should be enabled at once to take measures to prevent such a serious crisis?—I think that power ought to rest somewhere to give relief; and if you will consider for one moment the highly artificial state of our monetary system, which no reflective mind, I think, can deny, it commends itself almost without an argument. Referring to this statement of the Bank, where is the money to come from? There are certain conditions of the money market (and the present is not very far from it) where money is exceedingly difficult, and recourse must be had to the Bank. It may be difficult in consequence of the extraordinary accumulations at the Bank at this moment: I cannot say that it is from that cause, but from certain circumstances, whatever they may be, it is extremely difficult, and therefore the monied interest must get supplies from the Bank; if therefore the Bank should not have the money, what is to be done?

5237. What proportion do you think of the demand upon the Bank in 1847 was occasioned by the want of confidence through the country generally in their being able to obtain Bank notes? What proportion did the drain arising from that want of confidence bear to the positive demand upon the Bank arising from the

the drain of gold?—There is no doubt that a very considerable proportion arose from that cause, but what proportion it would be perfectly beyond me to say.

5238. I am speaking of October 1847; you can speak practically upon that point, that numbers of persons applied to you, not merely for notes for their immediate demand, but from a fear of their not being able to get those notes a few days later if they postponed their demand?—I have no doubt that a very large sum of money indeed was withdrawn from our house for those purposes; but we take no notice of the purpose for which it is drawn; it is enough that the parties say, "We demand it."

5239. If there had existed a power upon which the public could have relied that the crisis would not have been brought to that point, do you think that the demand which took place upon the Bank would have taken place?—Certainly not; the question is best answered, perhaps, by the fact, that with reference to the sums which we took from the Bank on the Friday, Saturday, and Monday, the 19th, 20th, and 22d of October (I think I am correct in the dates), we should only have been too thankful to have got the bills back on the Wednesday following; the money reflowed to us directly the panic was over.

5240. Did you or your partner make any and what application to the Bank a few hours before the Government Letter of 1847 came out?—We did.

5241. Have you any objections to state what it was, and what the result was?—I should almost wish to embody in this answer what really took place with the Bank altogether at that time.

The Witness was directed to withdraw.

The Witness was again called in.

5242. I think you stated that you wished to make some addition to the answer which you had made to my question; do you wish to make any explanation or addition?—As you have asked me to relate what took place between our house and the Bank, if I stated one part without the other I think it would be incomplete.

5243. Mr. *Glyn.*] In the course of your answer to a question put to you in your previous examination, No. 5107, you stated, "We only applied to the Bank three times in 1847," and so forth; do you want to add anything in explanation of that answer?—Not at all; I am perfectly satisfied with it.

5244. Mr. *Weguelin.*] Do you wish to make any remark on the conduct of the Bank at that crisis; what do you think should have been the conduct of the Bank upon that occasion?—I think that the Bank did everything they possibly could have been expected to do, or even more than they could have been expected to do. Now, I must refer to what took place. On either the 5th or the 6th of October, I cannot say which day now, but I believe it was the 5th, we had managed our affairs, having taken a decided view as to the probable working of this Act, in such a way that, notwithstanding the great pressure in the earlier part of the season, I believe we never had been near the Bank. Whether we had been there during the quarters when the revenue goes in or not, I am not so positive; but on the 5th of October I did go to the Bank, and I told the Bank that notwithstanding the extraordinary pressure for money which existed out of doors, we were exceedingly full of money; that we had a very large sum indeed wholly unoccupied, which we should be only too glad to bring into the general good, if we could have an understanding with the Bank. The answer which I received from the Governor and the Deputy Governor was this: "By all means bring it forward, and any money that we can give you you shall have, in case of your requiring it, but we cannot make notes." Those were the exact words. Upon that we pursued our business, discounting very considerably indeed, besides meeting all the drafts upon us from various parts of the country from day to day, till we arrived at the 19th of October. Then it was that we tried the Bank for the first time, and the answer is before you in my previous evidence. As regards the conduct of the Bank, therefore, I can only say that they had it not in their power, as the answer which was given to me shows, to give more than a certain assistance to the public. That assistance, as far as I know, they gave even beyond their power. No institution could have been managed better.

5245. Do you think that the rate of interest which they demanded for that

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accommodation was such as was consistent with the position of the Bank's reserve at the time?—No; I always thought that that was a most usurious transaction. When you ask me plainly, I am bound to speak plainly; I am aware that it is in accordance with what is enacted in the Act of 1844, but after having encouraged us to discount freely, to bring forward that large sum of money at that time, I thought it a most hard case when we sent in 80,000 *l.* of very short bills to be told, "We will exact from you 10 per cent."

5246. Mr. *Cayley*.] In reference to the rate of interest, did you not state on the last occasion that the repeal of the usury laws made a good deal of difference in relation to the rate of interest under pressure?—I am not aware that I answered in that form.

5247. There was a great pressure in the year 1825, was there not?—There was a very great pressure indeed.

5248. You were then limited by law to the rate of 5 per cent.?—We were.

5249. When did that pressure take place in 1825?—As far as my memory serves me, though it is rather a long time back, I think it was as the winter drew on. I have no statistical report of my own here, therefore I speak vaguely.

5250. It was in November and December?—I think it was.

5251. Will you be good enough to turn to the table which you delivered in, on the last occasion, of the rates of discount for first-class bills at various periods; will you turn to the months of November and December 1825, and mention the rate paid for first-class bills?—In November and December we were at 4½ per cent. in both months.

5252. The usury laws did not prevent your charging a higher rate than that, did they?—No; it does not appear by this return that we charged excessively, whatever others may have done. Unfortunately, here we are at fault as regards the Bank rate; I do not know whether the Bank rate was not uniformly then 5 per cent.

5253. Are you not now speaking of your own rates of discount?—Our own rates were 4½.

5254. And you are speaking throughout this table of your own rates for first-class bills?—Precisely.

5255. Will you be kind enough to turn to the months of October and November 1847; what were the rates of interest then?—The interest in October 1847 was 7 per cent., and towards November it was 10 per cent. I should say that this has been overstated by the clerk who took this out. We fell very rapidly after the Letter came out. There might have been some transactions higher, but in December we were at 6 per cent., which tallies with my ideas.

5256. Mr. *Glyn*.] Are we to understand that in December 1825 your house only charged 4½ per cent. discount?—I have it here as taken out by one of our confidential clerks, and I just take it according to what he has stated to me; I have no doubt he is correct.

5257. Was there any commission added to the interest?—I cannot say that.

5258. Do you not think it possible that there might have been?—It is not impossible. My impression is that the Bank then had one uniform rate of 5 per cent., and long after that period; but I am not certain about that.

5259. If you recollect the state of the money market at that time, it was under circumstances of extreme pressure?—It was.

5260. Quite as great as the pressure in 1847?—It was.

5261. Do you think that your house discounted at 4½ per cent. under those circumstances?—I think myself that, as the business was transacted up to that time or thereabouts, we were acting as brokers. We charged a commission upon our transactions; it is therefore very possible that our common rate was 4½, and that we charged a commission of one-eighth per cent. for transacting the business.

5262. One-eighth, or it might be more?—I do not think it was more.

5263. When you compared the two periods, would it not have been fair to have added in the estimate of what was charged in 1825 the amount of brokerage also charged in addition to the interest?—Clearly so, if the clerk had seen it, if it be the fact, but I will not say it is the fact; he has no object in mis-stating it, that is perfectly clear.

5264. Do you think it possible that your house, dealing as largely as they do in money, could have discounted for the mercantile body under the current rate of interest at that time, it being 5 per cent.?—That is a very interesting thing

to ask me, and for me to consider how it should be. Having the confidence which I have in the man who took this out, I cannot believe that he has made a mistake. He has drawn it up in this way: in January the rate is stated as 3½ per cent., and that continues till June, when we went to 4 per cent.; that continues up to November, when it went to 4½ per cent. It does not seem unnatural.

5265. Mr. *Cayley.*] Was it your practice to charge commission when your rate was below the legal rate?—When I first came to the business, and for several years afterwards, we charged the Bank rate, and one-eighth per cent. commission; the Bank rate was a uniform rate, and did not fluctuate for several years afterwards; it generally stood at five per cent., and we charged a commission for transacting the business.

5266. Did you always then charge the same rate?—Yes, one uniform rate of five per cent., for several years after I came to the business.

5267. When the system altered with you, and you charged under the legal rate, did you then charge a commission; suppose, for instance, you charged four per cent.?—No; our business assumed a totally different character; we departed from the business of brokers to the business of dealers; we dealt, according to the true value of money, with the public. It is a very rare thing indeed that we charge a commission; it must be a very exceptional case.

5268. Supposing the rate of money fell to three per cent., would you then think it necessary to charge a commission as well as the three per cent.?—Certainly not.

5269. It was only when the price rose to the legal rate that, in order to get more, in proportion to the value of money, and not being able to get it according to the legal rate of interest, you charged a commission?—Yes; in fact, we gave and took.

5270. Then, if the rate in December 1825 had not risen to the legal rate, it being only 4½ per cent., according to you, it was not likely that you would charge a commission?—I should say not. If you wish to have that information furnished, I shall be glad to supply it.

5271. You have spoken of the number of acceptances out?—Yes.

5272. Have you any notion what the amount of acceptances out is at any one time in London?—This is a point of very great public interest, and I have endeavoured to bring my mind to bear upon it as well as I could; I do not feel at all confident that I am near the result; nevertheless, I differ extremely from what Mr. Leathem some years ago put forth. Mr. Leathem, in a pamphlet with which you are perhaps acquainted, has estimated the bills of exchange current at any one period at 200,000,000*l.*; I believe I am correct.

5273. Mr. *Hildyard.*] Of what period was Mr. Leathem speaking?—It was a good many years ago, 1825; I do not believe that it is anything like it.

5274. Mr. *Cayley.*] Then what do you think is the amount of acceptances out?—My impression is, that if we rate the bills of exchange floating at from 100,000,000*l.* to 120,000,000*l.*, we get much nearer the mark.

5275. Mr. *Puller.*] At the present time?—Yes; but I should be very glad to be acquainted with Mr. Glyn's opinion upon the subject. I derive it in this way: I say to myself, "How much is the average?" (because they all settle themselves at the clearing-house). "What amount of bills of exchange is settled *de die in diem* on the average at the clearing-house?" If you multiply it by about 40 to 45, you will find the true amount of bills in circulation.

5276. Mr. *Cayley.*] Have you any idea what is the amount settled at the clearing-house day by day?—They differ materially; you must take the average. On the fourth of the month they are very considerably larger than on any other day.

5277. Do you suppose that they ever reach 20,000,000*l.* in a day?—Nothing like it.

5278. Mr. *Glyn.*] I dare say you are aware that there are other periods in the month besides the 4th and the 5th, which are days of great payments?—There are.

5279. There are the settling days on the Stock Exchange, and the settling days on the Foreign Stock Exchange, which come twice a month, the Foreign Stock Exchange, and once a month the other?—Yes.

5280. Therefore there are other days which raise the average very high?—Yes;

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Yes; but we were confining our remarks to bills of exchange. The amount would be easily arrived at if the bankers, if it were thought desirable, would simply take the trouble to keep an account, for two or three months, of the quantity of bills which they have at the clearing-house a-day. My opinion is that 200,000,000 *l.* greatly exceeds the amount of bills current.

5281. Are you right when you say that you think you could make an accurate calculation in the way you have mentioned. Is not there a very large amount of local bills paid at the different towns?—I except those.

5282. Are you aware of the amount?—No.

5283. Taking Liverpool and Manchester, are not they enormously large?—I know that they are very considerably large, but I cannot say what they are; it does not fall within my province.

5284. Mr. *Cayley.*] Supposing that there are 120,000,000 *l.* or 130,000,000 *l.*, to that has to be added the amount of deposits with bankers, and various other immediate demands all liable for prompt payment, when there comes a scarcity of the circulating medium?—Certainly; everybody is exposed to be called upon.

5285. The banker is called upon to pay his deposits?—Certainly.

5286. The merchant is called upon to liquidate his bills of exchange; the country banker and the Bank of England are called upon to pay their notes; and does not that afford, in your opinion, a very reasonable ground for apprehension of panic in the public under a state of drain?—I think quite a reasonable ground; I do not see how it can be otherwise.

5287. You stated that 19,500,000 *l.* is about the average circulation with the public?—Casting my eye over this book, since the joint stock banks have been admitted into the clearing-houses, it seems to have run up to 19,000,000 *l.*, or somewhere thereabouts, but sometimes it has been more. I should like to make an observation in reference to the answer which I made on the last day, touching the amount in October 1856, when the amount in the hands of the public increased exceedingly, to 21,000,000 *l.* I was answered most properly by a reference to previous years, wherein there was a considerable increase; but there was this distinction in the thing, that whereas in last October this amount in the hands of the public ran up to 21,155,000 *l.*, there was an extraordinary difficulty in obtaining money; notwithstanding that the public held so much, we could not touch it, and our rates were very high, and not only so, but after the affair of the Eastern Bank had passed away, very large sums of money in masses came into our hands; I will not say came back, because that would identify the transaction, but I mean to say that, from some cause or other, whether a natural cause or not, the circulating medium was so restricted at that season that it left the Bank of England with a very small sum of notes for their engagements, and in the meantime, on this last occasion in October, we were unable to obtain money in the market without great difficulty indeed to keep the public going.

5288. Do you trace that to any particular cause?—In my own mind I set it down to the anxiety which had arisen in certain concerns, in consequence of what had happened to the Eastern Bank.

5289. Mr. *Wilson.*] That was in March?—I was referring to March; I beg your pardon; I was giving the wrong date; it was the same thing, an increase took place; suffice it to say, that very large amounts came pouring back to us after the public mind had been satisfied that the Eastern Bank had got what we call carried over.

5290. Mr. *Cayley.*] Does not that always happen when a panic of any kind or pressure, or apprehension is over; does not the money seem miraculously to come tumbling into your till almost unaccountably?—It does; not unaccountably, but most reasonably, because all bankers deriving their profit from interest begin to employ the money immediately.

5291. As soon as they become perfectly content that the panic is not going to turn against themselves?—Clearly.

5292. The larger houses, I presume, the bankers and the rich merchants hoard the circulating medium, and that creates a scarcity?—I presume they do; it is merely natural that they should; I should hardly think that the merchants would; I do not know what their habits are.

5293. When there is a state of danger, those persons who can protect themselves, take care to do it?—No doubt they do; it would be very wrong if they did not.

5294. Supposing the public were assured that there never would be less than 20,000,000 *l.*

20,000,000 *l.* of Bank notes, do you believe that a panic would so readily arise?—I think with reference to that, that any limited sum is calculated to create a panic; if you say that there is a limited sum which everybody is to draw upon, he has to run for it as hard as he can to meet the demands which may arise upon him; any fixed amount is undesirable in my humble judgment.

5295. If the public were assured that the Bank could always issue as much as 20,000,000 *l.*, I do not say more, if they were convinced that the circulation in the hands of the public never would be lower than 20,000,000 *l.*, do you believe that a panic would arise?—I think if that were done, unless it were fenced about with extraordinary fences, we should very soon see the business of the country extending itself up to the point of requiring the 20,000,000 *l.*; and we should not be protected by the simple enlargement of the amount, unless we also adopted other regulations as to keeping that money in hand.

5296. You are not a broker?—No.

5297. But a dealer in money?—Yes.

5298. Is not that a banker?—Our business lies in the employment of the loose banking money of the country; we receive it at one rate, we employ it at another in those securities which, in our opinion, are the most current going.

5299. That is to say, you have deposits yourselves, and you employ the deposits which other bankers loan to you?—Yes; keeping them in such a shape that they have never yet been disappointed, and I hope never will, of receiving them when they call upon us.

5300. In what light do you consider deposits?—As being payable on demand.

5301. Do you consider them as part of the circulation?—Certainly; can any man doubt that a thing which a man can draw out of my hands at a moment's notice is part of the circulation? I must keep myself in preparation and readiness to pay him.

5302. The other day you described the degree of alarm upon the part of the public, at seeing the reserve of the Bank diminish gradually; to what do you attribute that alarm?—Because all those who are responsible to pay large sums of money on demand, know very well that they may be driven to the Bank in case of a tightness in the market. For instance, suppose there is a large amount of money out in the hands of the public, and the public are alarmed, and will not bring it forward, what must be done? We must go to the Bank. If we find that the Bank have a very small reserve, they are not glad to receive us; but on the contrary. We therefore become anxious, and manage our business under an anxious mind, to do as little as we can; that pervades the whole monetary system, or ought to pervade the whole monetary system all alike.

5303. It has been stated to this Committee, that the anxiety felt upon those occasions, and very much the cause of the panic, is, that depositors who have deposited their money with the Bank are afraid that they will not be repaid by the Bank; what is your opinion upon that point?—I cannot believe that that feeling has ever obtained, although I have seen most extraordinary instances of alarm; people have been almost afraid of their own shadows. When fear once takes possession of the public they become foolish. I remember an instance perfectly well of a man with whom we had deposited India bonds; he brought the India bonds in one of those panics and said, "Sir, what is the use of such stuff as this; give me my money." I gave him his money, and begged him never to come to the house again; but that was the effect of the panic.

5304. Did not you state yourself that very much the same effect was produced upon Exchequer bills and India bonds in 1847?—Not from any want of confidence in them. This was not a money dealer, but a private individual.

5305. In the panic of 1847, if you wanted to raise money upon Exchequer bills or India bonds, what was their value?—You could not do it. We had a particular instance happen to us of that sort; but I had better not enter into our private affairs.

5306. You stated this morning, in answer to a question, that if things had gone on as they were in 1847, we should have been obliged to resort to a state of barter; was it not the fact that bills of exchange were exchanged for bills of exchange, instead of cash?—I do not remember a single instance of the kind in our house. When I say this I should like to qualify that answer, if I have made it in that way, about a state of barter, because that is a very serious thing. I was asked the question what would have been the consequence if that letter

had not been issued. I should have answered with deliberation that we should have called a grave council of the members of our house, and I will not venture to say what our house would have done; but my own private mind is this. that if such a thing ever should happen (which God forbid!) as that there should not be currency to settle the transactions at the clearing-house, the only next alternative which I can see is to meet together, and to make our payments in first-class bills, bills upon the Treasury, and Messrs. Smith, Payne, and so forth; and I should think it no indignity, under such circumstances.

5307. Then, if the Government failed to supply you with a circulating medium, you would create one for yourselves?—What can we do? The public come in, and take the circulating medium out of our hands; it does not exist.

5308. Mr. *Glyn.*] You would only then do in London what they do in Manchester every day of the week?—Yes.

5309. Mr. *Cayley.*] You stated that last year, or the year before, things had arrived at a considerable state of difficulty, and that a hint was given to you from an authoritative quarter that you might proceed with safety to yourselves. Supposing that hint had not been given, what would have been the result?—We should have had great pressure and great difficulty.

5310. Supposing that peace had not arrived, and that the war had been carried on, do you think that the Act of 1844 could have been sustained?—That is a totally different question; but at the same time, the first question is also important. The reply to the first question is, that we should have had a recurrence of the things which had previously existed in 1847; I will not say positively so, because we have had a new element in this last year. We have had an extraordinary amount of bullion arriving from Australia, and even from America, entirely beyond all calculation, coming from the bowels of the earth, which has kept us alive during this extraordinary demand upon us for bullion for war and other purposes. We have looked to the arrival of these steamers from Australia as much almost as to anything else, to know whether we were safe in going on with our business.

5311. The destinies of the country seem to have hung upon their arrival?—No question of it. If we had not had those arrivals to an enormous extent which we have had, I defy any person to say what would have been the consequence under this Act.

5312. Mr. *M. T. Smith.*] Should we ever have had the expansion of trade which has taken place had it not been for the original discovery of gold?—I should think not; it is a very happy circumstance that the gold has been discovered, and that the expansion of trade has taken place; that the country has enjoyed such great prosperity.

5313. Mr. *Cayley.*] Do you mean by the original discovery of gold, the discovery of it in Australia?—Yes, and in California.

5314. And you trace the improvement in trade to that cause?—That would be an extensive question again; there are a variety of causes to which it is to be attributed.

5315. It has been stated before this Committee, that in a pressure like that of 1847, men are not looking for money, but are looking for capital; what is your opinion in that respect?—I do not understand it; we only deal in money; I do not understand what you mean by it.

5316. Do you think that men are then anxious for money, in order to pay their acceptances?—"Capital" is rather a large word, because commercial capital does not consist in money alone; capital is in a man's intelligence, in a man's stability of character, and a variety of things which give him that position in the community which we call commercial capital; but if you mean the quantity of money which a man has of his own in his business, if you call that capital, it forms, in most cases, a very small proportion of the money which he wields in his affairs through the credit which is given him by the public.

5317. And in order to vitalise his dead capital, so to speak, he is obliged to have money?—A man, to stand properly in the community, must be possessed of a certain supposed or known real capital of his own, added to his intelligence and his other qualities, which give him a proper footing in the credit system.

5318. And he carries on his operations by means of bills?—It is that; it is the great distinction of our country that we have such confidence in each other that the man who has money hesitates not to lend it to the man who has not for the purposes of his commercial operations; and hence our extraordinary exports

increasing

increasing 20,000,000*l.* in a year, and the great prosperity which has prevailed; hence our having occupied more than 300,000,000*l.* in railroads and other things, and public undertakings. It is because nothing is suffered to be dormant, but everything is brought forward for the general benefit of the community.

5319. Those acceptances are given upon the faith that there will be a circulating medium at the time they fall due to redeem them?—Certainly; that there will be a continuance of the state of things which has grown up to be the honour of the country, settling itself at the clearing-house from day to day without the payment in hard sterling cash.

5320. Mr. *Glyn.*] Something more than the honour of the country is given; there is some representative which is to pass from hand to hand to settle the account between themselves?—No doubt about it.

5321. Mr. *Vance.*] Have you any suggestions to make to this Committee relative to any modification of the Act of 1844?—In my evidence on the last occasion I did throw out some ideas which I should wish to call crude: not knowing that I should be called upon to offer an opinion upon that point, they are hardly digested; nevertheless, in that evidence I did venture to suggest something which I thought would very materially meet the case, and I have not heard or read of anything yet to alter it.

5322. One of the Directors of the Bank of England has told us that their business is the largest in discounts when the rate of interest is high. How do you find that in your business?—That information has been given by me, I believe.

5323. Have you not found that you lose a great amount of first class bills when the rate of discount is very high, which you are in the habit of receiving when it is low?—I must answer that question entirely in reference to the true value of money. If the true value of money justifies a high rate, people must pay it, and will not object to it. If, on the other hand, we attempted to charge a high rate when the true value of money did not bear it out, we should unquestionably lose those bills, but not otherwise.

5324. If the true value of money be very high, do you receive in the course of your business as many bills of first-rate character as you do when it is not?—That depends entirely upon the general amount of transactions afloat. The value of money may be high simply because we have a very contracted currency; it is all a matter of proportion. On the other hand, we may have a very small circulation, and the value of money may be low, because we have a very small amount of transactions afloat; the two things act the one upon the other.

5325. You have a considerable business direct with the manufacturing districts, have you not?—We have, very large.

5326. Do you not find that your business with the manufacturing districts decreases a good deal when the value of money gets very high?—I am not prepared to say that; the best answer which I can make, perhaps, and which is to the point, is, that notwithstanding the large rate of interest which has obtained for a long time past, our discounts have not flagged, but quite the contrary; they have increased in the very first class of paper in the country.

5327. Mr. *Glyn.*] I understand you to say, that you think that whenever the circulation, which generally averages between 18,500,000*l.* and 19,500,000*l.*, falls much below that amount, there ought to be a power lodged somewhere to give the relief required to carry on the settlement of the monetary concerns of the country?—It is my decided opinion.

5328. In what quarter would you lodge that power?—I answer that question with great submission, if you will allow me to use the word, because I am in the presence of the Bank Directors as well as the public in general; I think, myself, that if we gave an unqualified power to the Bank Directors under the present principle of the Act of 1844, it might lead to mischief, because it is not at all impossible that, with a power of extension they might also have a desire of acquisition of profit, and therefore such a power itself must rest somewhere else, or else the right of issue, when they get to a certain point, should somehow or other be fenced round, first as regards the rate of interest, and also as regards the proportion of that interest which they ought to take, and what proportion the Government ought to take.

5329. What would be the governing principle upon which you would allow these extra issues to take place; would it be as a matter of course after the notes had fallen to a certain limit, or would it have any reference to the state of the foreign exchanges?—My opinion is, that in this great commercial country, and

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and under the very artificial system in which we live in our monetary condition, there ought always to be a power of the conversion of truly legitimate sound commercial paper, and that no house should be brought into difficulties, and say that they could not fulfil their engagements, whilst they had paper representing the true transactions of the country (for I say nothing of anything else) of undoubted quality in their possession. Where those notes are to come from is another thing.

5330. Then you probably feel, that if there is a fixed amount regulated by law, circumstances may occur, from internal panic, or some cause of that sort, which may interfere with the possibility of keeping the monetary transactions of the country straight with reference to that fixed amount?—I do.

5331. And that there ought to be a power fixed somewhere, either in the Government or elsewhere, which should go beyond that issue?—That is my decided opinion.

5332. Are there any regulations which you would attach to it as to the rate of interest under which those additional issues should be put out?—In my former evidence I adverted to the fact that long before there was any danger of our hazarding the maintenance of specie payments, it should be obligatory on the Bank to raise the interest to a certain figure, and that if the bullion still declined it should be compulsory on them to raise it proportionately for every 500,000 *l.* This is a matter of degree; but the principle is exemplified by stating the figures. When we arrived at 5,000,000 *l.* of bullion still in the coffers of the Bank, the Bank rate of discount would have reached 10 per cent. I agree to that, because we cannot have it both ways; we cannot maintain our specie payments without paying for it, under certain circumstances. It is absolutely necessary for us to endeavour, if possible, under any circumstances, to maintain our specie payments. Wherefore I think we should arrange our system in such a way that when there is a small amount of bullion the trading community should not be able to carry on their operations, and especially foreign operations, which are calculated to take out money from the country, excepting under the greatest possible disadvantage, I might almost say impossibility; for I need not tell you, as a practical man, that it would be perfectly idle for any man to attempt to bring forward any operations, such as foreign loans, or foreign railroads, or anything calculated to take the money out of the country, if he was told that he could not get it under 10 per cent., and even then with great difficulty.

5333. Then you would have this auxiliary issue made under a certain increasing rate of interest, and that rate of interest to be governed by the decreasing amount of bullion?—I should; I would let it be well understood throughout the country, that as long as a man had *bonâ fide* bills of exchange, representing a commercial value, passing from the drawer to the acceptor, of undoubted quality, he should be able to convert them, and not have the answer given by him that he is obliged to discharge his people at his mills, because he cannot get the money to carry on his concerns.

5334. In reference to the figure to which you have alluded, namely, the 19,000,000 *l.*, you are doubtless aware from your very large transactions, that 19,000,000 *l.* is the amount now necessary for carrying on the settlement of the monetary transactions of England through the clearing-house, under a system of extreme delicacy?—Quite so.

5335. And if any occasion of panic arose, so as at all to interfere with the present existing system of credit, 19,000,000 *l.* would be an inadequate amount, would it not?—Most decidedly so; we have now by the last returns before me, 19,962,000 *l.* out in the hands of the public, and money is exceedingly scarce, from what cause I cannot say; but you know as well as I do, that there is a very great demand for money at the present moment; we have very nearly 20,000,000 *l.* out, and yet money is difficult.

5336. You have been in business now in the city for a great many years; your transactions with the Bank of England, as regards the Government stocks, go on, I believe, almost from day to day; do you entertain the same opinion as I do with regard to the conduct of the business in the governmental department, that nothing can exceed the way in which it is done at the Bank; that the system is as perfect as anything which can be devised?—Nothing can be better.

5337. Mr. *M. T. Smith.*] You have stated, in answer to a question from Mr. Glyn,

Glyn, that under certain circumstances you might be in favour of some relaxation of the Act of 1844?—I have.

5338. Do you think that in an adverse state of the exchanges the parties in whom the discretion lay, whoever they might be, to issue fresh notes, would be justified in making those fresh issues?—I answer the question by what I have previously stated, namely, that there should no case whatever arise where the commercial paper of this country should be inconvertible; and although it is a bold thing for me to say, and God forbid that it ever should happen, and I do not think it will ever happen under what I have suggested, if the question should arise whether we should maintain specie payments, or whether we should maintain the industry of the country, I have no hesitation in saying which I should drop; and for this reason, that the one thing would be very soon remediable. If by any possibility we did not maintain our specie payments, it would be an affair with the foreigner for a very short time, and would soon be put right. If, on the other hand, you obliged parties in the manufacturing districts to say, "We cannot pay our men and must shut up our mills," they would soon settle the question for us.

5339. Would not the return to specie payments be a more terrible affair?—Not at all. Is it the want of property that makes us give up our specie payments? Not at all; the foreigner would trust us just as well in every sense; his note might be depreciated for a time, and the exchanges would go down for a time, but only for a certain time. It is not that we want property, but it is that we are moving under a highly artificial system; and if we have an immense superincumbent demand upon our currency, circumstances may arise to prevent our obtaining that currency. Is the whole commercial industry of the country to be paralysed? Shall we shut up all the avenues of employment?

5340. Is it not quite clear that if you had a suspension of specie payments, the very enormity of the transaction would only add to the difficulty; that you would add to the price of every earthly thing, and affect every contract, and that the distress would be excessive?—My own opinion is, that it would not have that effect at all. Under the suggestion which I have made at your request, we should have got our interest at 10 per cent. Long before that, the transactions would have become very limited, for there are very few trades that can afford to go on at 10 per cent. At the same time we cannot bring our affairs right with the foreigner, if we stop our industry.

5341. The present plan which you are recommending, would be a great deal more stringent and more severe upon the public than the Act of 1844?—I have said that, as regards the interest, we must bear it, and the man who deals in interest must look out. We must all take our chance about it, as we have done lately.

5342. But we have never had, under the Act of 1844, interest at 10 per. cent?—That is another thing. We have two things to do; in the one case to maintain specie payments; the next thing is not to stop the industry of the country; we must have the trade of the country maintained. If we have to pay for the one, we must accustom ourselves to it till the time comes round. If I had to choose between the two, I have no hesitation in saying which I should prefer.

5343. Mr. *Weguelin.*] You were asked by Mr. Glyn whether you thought it desirable, if the active circulation in the hands of the public declined down to from 18,500,000 *l.* to 19,000,000 *l.*, that there should be some interference in order to relieve the public. That must be an erroneous way of putting the question, inasmuch as there is still the reserve in the Bank which is applicable to the extension of that circulation?—Yes; I would rather avoid allusion to any particular amounts, because we are speaking of principle, and not of degree.

5344. As long as there is a reserve of notes in the Bank of England, the wants of the market can be supplied from it?—Quite so.

5345. You have referred to the pressure in 1825; does your recollection lead you to consider that that was a pressure on the banking interests rather than on the commercial or mercantile interests?—My impression is that it was upon the banking interest.

5346. There were very few commercial failures?—There were very few commercial failures; they were chiefly among the banking interest.

5347. It was owing principally to the bankers having invested their deposits in such a manner that they were not able to realise them at the time?—I presume that was the case; my only observation of the banking interests is, that

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the system has been very much improved since that time; the banking business of the country is infinitely better understood, and better managed than it was at those periods.

5348. Therefore a low rate of discount for bills might have been quite consistent at that time with a very great panic, on account of the position of the bankers?—Entirely so. A great many securities were brought forward into the market by bankers (I speak of country bankers particularly) to supply their exigencies, which were thrust upon the market at a very great sacrifice; but in the commercial world my impression is that there was not such a very great pressure.

5349. There was therefore a material difference in the character of the pressure in 1847 from that which ocurred in 1825?—I should say decidedly so in the character.

5350. It was not until the month of October 1847, when the distress seemed to have reached the banking interest, that the panic became really alarming?—I think, if I remember rightly, it was very severe indeed in the spring of the year; and yet it is a very curious fact that the rate of interest in March 1847 was not so extremely high; the rate of interest by the Bank was then 4 per cent.; we were higher than the Bank; we were 4½. The Bank rose up to 5 per cent. on the 1st of April; we went up to 6; we went before the Bank, and a good deal too.

5351. There was great pressure and great distress amongst the commercial classes, but there was nothing that amounted to the degree of panic which there was in 1825?—No; I think the panic was of a different character. The panic in 1847 was a panic lest we, none of us, should be able to get the notes; that was the real cause of the panic in 1847.

5352. Mr. *Glyn.*] The difference in the character of the pressure in the month of April 1847 and in the month of October was very distinct, was it not?—I hardly know what was the distinction, excepting that failures followed in October; when we got that large arrival of gold, I believe from Russia, in the spring of 1847, it put matters straight for a time, but the sores showed themselves afterwards, and failures took place in the fall of the year.

5353. Were not the exchanges against this country in the spring of the year?—Decidedly.

5354. And were they not in favour of this country in October?—All that I can say about the exchanges, and more I cannot say, of course, without the table, is, that the general amount of notes in circulation increased; from the 4th of November there was a slight increase, week by week, in the notes of the Bank, occasioned by the state of the exchanges, I suppose, or by money being sent up from the country.

5355. Mr. *Weguelin.*] In 1847, in point of fact, there was no very great alarm and panic, until one or two banking failures took place in the City of London?—I think there were a great many failures; Reid, Irvings, Cockerells, and a great many of that description, where a good deal of money had been obtained upon credit, and the houses sank under it; and then that got magnified by the daily papers, and caused a general feeling of panic throughout the country.

5356. Mr. *Hildyard.*] I observe that when you spoke of the operation of this Act, you stated that it operated, in your opinion, beneficially, as compelling the Bank at an early period to sound the alarm; but that you thought that it operated prejudicially on several occasions, where pressure arose from causes which you specified?—I do not think I put it in the words which you have stated; I said that it had great merit, but that it had great defects.

5357. I understood you to state that, in your opinion, it aggravated the pressure under which the country would labour in the particular cases which you specified, namely, a failure of the harvest, war, panic, and irrational hoarding?—I did not say irrational, I said unjustifiable hoarding. I wish particularly that the Committee should understand this, that, under a very restricted circulation we are completely at the mercy of some great institutions and individuals, and that is a very important thing which we should all understand.

5358. Then you meant by unjustifiable hoarding, hoarding with a view to aggravate the pressure, and to take advantage of the consequences?—That is the application of the word unjustifiable; but also it should be observed that we have such immense gigantic powers, which have risen up, that it is perfectly easy for the joint stock banks to meet at their council and say, we do not like the

the aspect of affairs; we think that the exchanges are going down, and that we shall have a pressure for notes; let us increase our notes 500,000 *l.* Suppose that happens in three of those establishments who can do it with a word, who have only got to say, let it be done, and it is done, is it possible not to foresee that we are completely convulsed? It is merely to send notices out for the money which they have at call, and to the Stock Exchange, and to collect their bills falling due *de die in diem*, and the public are destroyed.

5359. The occasions which you have specified are occasions against which the ordinary prudence which you have to expect in mercantile men cannot guard. A failure in the harvest might occur even yet in this country this year, might it not? War on gigantic proportions might suddenly break out, and those evils might bring about the panic and the unjustifiable hoarding to which you have alluded?—Most clearly.

5360. Need I ask you whether an immense proportion of the commercial legitimate enterprise of the country does not involve a considerable length of time in order to bring the undertaking to its completion?—Clearly.

5361. Therefore, persons legitimately conducting their business, and exercising all the prudence which ought to be exercised by persons conducting business, may be caught and severely acted upon, on the occasions which you have specified?—More than severely acted upon; they may be absolutely disabled from fulfilling their engagements, although they are ever so solvent.

5362. It has been asked what the effect of a panic is; whether it does not reduce us to barter, and we have been told that it might induce employers to discharge their workmen, and so paralyse the industry of the country; but is not a consequence of a person being unable to meet in money his acceptance, that it is, by law, an act of bankruptcy?—That is a question of law.

5363. That is a question of law. As a practical man do you not know that is so?—I believe it would very nearly amount to it. You give seven days' notice, or something of that sort; it is a very summary affair.

5364. So that if I have an acceptance of 10,000 *l.* to meet, and in a panic could not meet it, but said here is 20,000 *l.* worth of indigo, take that instead, that would be no discharge of my obligation, and I, though a perfectly solvent man, should be reduced to the condition of a bankrupt?—That is perfectly true.

5365. May we not illustrate the effect of a panic by a matter which certainly seems at first sight very foreign to it. Supposing that at this moment, having reference to the fineness of the weather, any member of this Committee wanted a cab to drive to the Vauxhall Station, I imagine there is no doubt that he would find a dozen upon every stand to which he chose to go; but supposing that a thunderstorm came, might not he send for miles and not be able to get one at any price. Is not that, in some measure, an illustration of what occurs in a state of panic?—Yes, but it is comparing very great things with very small.

5366. Is it not upon this principle that your currency is adapted to the ordinary transactions of the nation, and that a panic of course calls for a most extraordinary supply?—Beyond doubt.

5367. Supposing, therefore, that the Act of 1844 could be shown to produce or to have a tendency to produce panics which would not otherwise arise, you would regard that as objectionable?—Yes.

5368. You have told us what was the state of things in October 1856; the Bank reserve was reduced to 2,550,000 *l.*?—It was.

5369. There was nevertheless lying in the vaults of the Bank 9,200,000 *l.*?—It is perfectly correct.

5370. You state that in October there was a very fidgetty and anxious feeling on the part of all men of business?—Very much so.

5371. Might not that feeling have been, in your opinion, easily aggravated into a panic by some additional circumstance of alarm?—Undoubtedly it might.

5372. Did not the funds even fall in 1856, from 95, or between 95 and 96 in August, to 91 in the month of October or November; is that within your knowledge?—No; we do not deal in funds.

5373. Is it not within your knowledge that there was a large fall in the funds in a short time?—I cannot answer that question.

5374. If it had not been for the Bank Acts of 1844, which reduced the reserve of the Bank which was available to 2,000,000 *l.*, while it had within its coffers

 9,000,000 *l.*,

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9,000,000 *l.*, do you believe that there was anything in the circumstances of October 1856, which would have created that anxious feeling of which you have been speaking?—Certainly not; we should not have had the slighest anxiety; our anxiety is shown practically by the fact that we charged one half per cent. higher than the Bank of England rate, and yet our discounts increased so very much that we could not keep them under.

5375. Therefore, but for the operation of the Act which at that moment reduced the available reserve, if I may say so, to 2,500,000 *l.*, when the actual bullion was 9,000,000 *l.*, there would not have been that feeling of anxiety which you say might easily have been aggravated into a panic?—Just so.

5376. Mr. *M. T. Smith.*] But the whole of that 9,000,000 *l.* of bullion was represented and in circulation in the shape of Bank notes?—Yes; though the Bank of England held only 2,500,000 *l.*, the public held 21,000,000 *l.*

5377. Mr. *Hildyard.*] I am quite aware of that, but of the whole amount of bullion which the Bank possessed, which at that time was 9,200,000 *l.*, it practically could only use 2,550,000 *l.*, there being 21,156,000 *l.* of its notes in circulation, leaving therefore only 2,550,000 *l.* of notes which represented bullion?—No, that would not be the right way of stating it; you must look at the notes in the aggregate, if you will allow me to say so. On this occasion the total amount out was 23,706,000 *l.*; now that was held between the Bank and the public; the Bank had its share, and the public had its share; the Bank held 2,550,000 *l.*

5378. Why was the Bank reserve only 2,550,000 *l.*; was not that the consequence of the Act of 1844?—No. You are right in one respect, that is to say, that if we had not had the Act of 1844, the Bank of England might have extended their issues without danger no doubt.

5379. So far as 9,000,000 *l.* of bullion in their coffers went?—Yes; but that is a matter of degree.

5380. Still if the Bank had stood in the position in which they would have stood if the Act of 1844 had not existed; that is to say, that they might have extended their issues as far as they thought proper, having regard to the bullion in their vaults, there would have been none of that anxiety to which you have alluded?—No; the state of things was just as it was in 1847; we were then on the brink of a convulsion, with an immense amount of bullion in the Bank locked up.

5381. With 8,100,000 *l.*?—Yes.

5382. Therefore, were not the crisis of 1847 and the anxiety in 1856 which you have described, a consequence of the Act of Parliament which limited the power of the Bank to issue its notes?—There is no doubt about it. But talking of the year 1847, it was not at all confined to that particular week; more or less during almost the whole of the year 1847 we carried on the money business with anxiety.

5383. You corrected me, and I am very glad you did so, when I attributed to you the words "irrational hoarding," and you have spoken of "unjustifiable hoarding." Must it not be within your knowledge, as a man conversant with the great transactions of this metropolis, that capitalists do avail themselves of these crises to make enormous profit out of the ruin of the people who fall victims to them?—There can be no doubt about it. Certain persons in the community say, "We act under the law; if you choose to make law, and give us the opportunity of making these profits, why should we not do it?"

5384. They are acting under the law, and strictly in accordance with it; but is it within your knowledge that powerful banking houses, in the crisis of 1847, bought London and Birmingham debentures as low as 75 *l.* per cent.?—That is an argument *ad rem*, which I cannot go into.

5385. I specify no houses, but merely ask whether it is within your knowledge that banking houses in London bought London and Birmingham debentures as low as 75 *l.* from persons who were in extremity to meet their acceptances?—I cannot say that anything of that sort ever came under my particular notice. I never saw anything of the kind. But the same principle obtains in everything. Look at the Caffres. We send them out guns to kill our own men. A man says, "I will call in half a million of money from the Stock Exchange and knock the things down, and I will buy them cheap."

5386. It is the principle which prevails when a scarcity of corn occurs; the persons

persons who happen to be possessed of it hoard it to get the largest possible price?—It is the same principle.

5387. And it is one of your objections to the Act of 1844, that it affords such opportunity?—That it makes no provision against the public being so injured.

5388. We have been told that the reason why 14,000,000*l.* was fixed as the amount of notes to be issued on security was, that the minimum active circulation previously to that time had never been below 15,500,000*l.*, of which 1,000,000*l.* had been Bank post bills not within the operation of the Act, and that there had been 6,000,000*l.* of notes which, though existing nominally in the hands of the public, had been known to be lost and had been since written off, and that therefore 14,000,000*l.* was taken as the least circulation under the operation of the Act, and it was assumed that there always would be that amount of circulation in the hands of the public, and consequently that if bullion existed for every note issued in excess sufficient provision was made for the currency. That has been proved in evidence before this Committee. Were you aware that that was the principle?—I was not; I never knew exactly by what it was governed.

5389. Assuming that such evidence has been given, and that evidence has been given that since the Act of 1844 the minimum circulation has never been less than 16,500,000*l.*, and that the late Governor of the Bank of England has stated to the Committee his belief that it never will, considering the extension of our commerce, fall below that point, ought we not, in your judgment at all events, to relax the Act to this extent, that we should make 16,500,000*l.* the amount of the notes issued on security, instead of the 14,000,000*l.*, and should we not be taking the same precaution for convertibility which was taken in 1844?—That is a most important question; I think it might be done, but I think that if it was done without some reference to the Bank of England, we should gain nothing material from it. The principle of the Act of 1844, as I have always understood it, was that the Bank of England had the right to make whatever they could of their banking money. If therefore you give them an additional issue of 2,500,000*l.* to play with, they will be exceedingly wrong, assuming that they take advantage of what they have a right to do, if they do not employ that to the full. Then we shall be just in the same condition; they will have no reserve of notes to assist the commercial world, who must be assisted in case of necessity.

5390. In October 1856, instead of the reserve being 2,500,000*l.*, it would have been 5,000,000*l.*?—That does not follow.

5391. Do you mean that it does not follow that the Bank would have pursued such steps as would have then given them 9,200,000*l.* in their coffers?—No; I will agree with you as to that sum; but the difference is this, with respect to the notes held by the public and those held by themselves: it may happen that the Bank, anxious to make a profit, which they have a perfect right to do, according to the principle of the Act of 1844, would have discounted a great many more bills, and that they still would only have had 2,500,000*l.* in their hands, and that we should have been just where we were as regards the reserve; the Bank would have made the profit without the public being benefited.

5392. You assume that it would not have made any difference in the amount of bullion in their coffers?—I assume that.

5393. Then, if they had been allowed to issue notes against all the bullion in their coffers beyond the difference between 16,500,000*l.* and 21,155,000*l.*, subtracting that from the 9,200,000*l.*, would it not have left 4,550,000*l.*?—There would have been an increase. In the first place, take the fixed quantity of gold, the 9,200,000*l.* of gold remains unmoved in the argument; but you wish to increase the notes, 2,500,000*l.* Supposing this increase of the notes is admitted to the Bank without any sort of protection to the public, it will follow that they will use those notes, and with the increase of the commerce of the country you will find that they will take 2,500,000*l.* more securities in all probability, and the notes which the public have may not be, *pro tanto*, enlarged.

5394. £. 21,155,000 was the amount of notes in the hands of the public?—Quite so.

5395. The Bank would have been authorised, according to this supposition, to issue 16,500,000*l.* upon securities?—Quite so.

5396. Subtract that from the 21,155,000*l.*?—Assuming that we granted to

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the Bank the power of issuing 2,500,000 *l.* more, will you kindly tell me what will then be, according to your mind, the total amount of notes issued to the public?

5397. What would have been the reserve of the Bank in 1856, if, instead of 14,000,000 *l.* on security, they had issued 16,500,000 *l.*?—You cannot answer that question, excepting you know the amount of securities which they would have held. At this time, in October, the total of notes issued altogether amounted to 23,538,000 *l.*

5398. I was before taking the active circulation?—That amount represents the bullion, plus the 14,000,000 *l.* Now, you propose to add to that 2,500,000*l.*; that will make it 26,000,000 *l.* in the rough. The question, then, is this; supposing that the Bank are allowed to use that 2,500,000 *l.* for their own beneficial purposes, without any sort of fence, what amount of that 2,500,000 *l.* of votes will they use for their beneficial purposes? That is the point.

5399. I am not asking what they would have done, but I am asking you whether the practical reserve of the Bank of England, that is, their power to issue notes, would not, under such circumstances, have been increased from 2,500,000 *l.* by the sum of 2,500,000 *l.*, that is to say, to 5,000,000 *l.*?—No, it does not follow; this follows, that they would have had an opportunity of obtaining 2,500,000 *l.* more securities.

5400. But at all events you would then have taken precisely the same security for the convertibility into coin as was taken in 1844, because that amount being the minimum circulation which you could contemplate, if there had been bullion for all above it, you would have taken just the same security as was taken in 1844?—I incline to adopt that idea, and that the amount might be increased; but I accompany that with the previous observation, that if such an increase be permitted, it should be also fenced, that it should not be permitted for the benefit of the Bank. It is a very important thing.

5401. You are aware that the provision in the Bank Act was, that if the Bank issued notes to supply the place of the country notes which should be extinguished, the profit of that issue, minus such expense as the Bank was put to, was to go to the Government; therefore, in case of any such relaxation as that which I am speaking of, of course the Government would take care that the profits of that increased issue of notes should on a similar principle operate for the benefit of the public?—Yes.

5402. Mr. *M. T. Smith.*] The Bank notes at the moment stated by Mr. Hildyard were 23,500,000*l.*; supposing the Bank of England had been permitted to issue 2,500,000*l.* more, do you think that the total circulation then would have been 26,000,000*l.*?—Yes, it would.

5403. Do you not believe that bullion, to an amount as great as the extra issue of notes, would have gone out of the country?—No, I do not think it would.

5404. Do you think that the actual notes in the hands of the public would have been *boná fide* increased to the whole amount of 2,500,000 *l.* permitted to be issued?—First of all, the 2,500,000*l.* of notes find their way to the coffers of the Bank; they have them to use; the question is, whether they will use them or not; whether they will keep them to meet commercial necessities, or whether they will force them out by lowering the interest and effecting discounts, and doing things which we know they do.

5405. If those notes were used, would they not displace gold?—That is a difficult thing; in process of time they might, but it is not an immediate action.

5406. Mr. *Tite.*] You stated, that in 1847, when the Bank advanced you money, the Bank had 10 per cent. for it?—They relaxed it afterwards to nine.

5407. According to the evidence of Mr. Gurney, which I have before me, they did not charge more than 9 per cent.?—First of all, the words were these, "You may have the money, but we shall charge you 10 per cent.;" afterwards, on the Monday, they relaxed it to 9 per cent.

5408. Mr. Gurney says, that it was upon his appeal?—I went myself; it was very vexatious; but we had to bear it as well as we could.

5409. In point of fact it was 9 per cent. and not 10 per cent.?—They charged us in the first instance 10 per cent.; it was relaxed afterwards to 9 per cent.

Mr. *Edward Capps*, called in; and Examined.

5410. *Chairman.*] ARE you acquainted with the building trade?—Yes.

5411. In what capacity are you conversant with that trade?—I have been engaged in surveying and building for 30 years past. My recollection extends back as far as 40 years.

5412. Has your attention been directed to the influence of credit upon the manner in which buildings are erected in London?—Yes.

5413. Is it the fact that speculators in building in the metropolis carry on their transactions to a great extent upon credit?—There has been a very great change even in my own experience in the mode of carrying on buildings in London, as regards financing. When I was quite a lad, I know from the daily conversations which took place in our family upon the business, that houses built in London were more built to order than now; they were not built so much on speculation as at the present time. It is changed in this way. You must build houses now ready for the market, the same as a bootmaker must make boots, or a stocking manufacturer must make stockings or any other article. People do not now, generally speaking, order houses to be built so much as they did in those days; but if they want houses they go round and see where houses are already constructed, and select those which are most suitable for them. Therefore builders find it just as necessary in the present day to have their commodities ready for the market as any other person carrying on any other branch of business; it was not so much so formerly.

5414. When a person ordered a house to be built, did he himself furnish the capital for building it?—Builders generally used to draw upon account. Suppose a house cost 5,000 *l.*, in making the estimate, or the contract for it, it would be specified that at a certain stage of the work the builder should receive 500 *l.* or 1,000 *l.*; at a subsequent stage so much, and so much upon the balance, after a certain time had elapsed. The mode of payment was generally specified in the agreement which was made. But work was done a great deal in former times upon measure and value-prices being given for the work. Now, public tender has come very much more into operation, and people generally have an estimate made beforehand of the expense, and a contract entered into; there is that difference. With regard to speculative building, the change has been more of this nature. Formerly, 40 years ago, what houses were built upon speculation were built out of the savings and the profits of builders upon their ordinary jobbing business, and it answered very well at that day. Builders conducted their transactions with very great moderation and prudence; they always had three or four houses upon the stocks, just to keep their men in constant employment, their main reliance being on their ordinary business. But now the system of building is quite altered in that respect. A man can do no good by doing business in that way; he must go and take a large plot of ground, and he must perhaps engage to lay out 20 or 50 times the amount of his own capital upon it; and if he can get through his undertaking before any crash comes, if he can run up a lot of structures (and many of them are very flimsy, I am sorry to say, at the present day), he may make a good slice of money, but he is liable to be pulled up very suddenly by a failure in the finances, from the uncertainty of our present monetary system. I have known frequent cases of that sort where people have been entirely brought to a stand still, and the money which they had laid out has been completely sacrificed by a sudden failure of the means.

5415. Then at present the general practice is to build upon a large scale, relying upon a demand for houses when they have been built?—Yes, and raising money upon mortgage as the buildings proceed. Almost the whole of Belgravia and Tyburnia, and the countless thousands of villas round London, are built upon that principle. A man makes an arrangement with some solicitor, who has clients ready to advance money, and he says, "As you go on we will advance a certain portion on mortgage." That is the way that the builder generally finances.

5416. Does he get credit from the brickmaker and the timber merchant, and those who furnish the materials of the house, or does he pay them in ready money?—If he is well known he may get a little credit in that way; but that credit has of late years been very much circumscribed. With regard to bricks especially, you must pay very nearly ready money now for all your transactions with

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the brickmaker. If the builder is well known, and has been an established man for many years, he may get some three months' or six months' credit for his bricks or timber.

5417. Then, in general, the materials are paid for, but the money is borrowed? —The money is borrowed; the man must have some capital to begin with. I might take a piece of ground requiring a capital of 50,000*l.* I could commence a speculation of that kind probably with not more than 1,000*l.* or 1,500*l.*, just enough to start with.

5418. What influence have the present laws relating to currency upon the building trade in particular?—The present law, I think, influences the building trade more in this way than in any other, viz., in the uncertainty of being able to carry through any undertaking. When you take a large plot of ground, involving, perhaps, the building of 100 or 200 houses, that undertaking cannot be got through in a moment. Perhaps you may have five or seven years given you to complete it; you have to build so many, perhaps 10 houses a year, and before you can get through the undertaking, and finish it, although they may be the very sort of houses which are wanted, and although they are occupied the moment they are finished, and at remunerating rents, yet, perhaps in the midst of your undertaking, or before you have advanced one-third in it, the means of carrying it out may be withdrawn, and all that you have laid out sacrificed. I myself have known well-built houses in that way in an unexceptionable situation, costing the builder, who was a friend of my own, 1,600*l.* apiece, which houses were offered to me at 850*l.* in one of the panics, and were sold at the Auction Mart at something like 800*l.*, which was about 50 per cent. off the prime cost to the builder.

5419. In what way do you think that the law of the country could protect the building trade in particular, if the transactions are speculative to a great extent? —I do not think that the building trade requires particular protection, nor so much as many others, for it is of that description that it has a kind of natural protection compared with what many other branches have. You cannot import houses from other countries, and put them up here; so that there is, in some degree, a natural protection to building; and yet the very uncertainty of our monetary system acts with verygreat intensity upon the prospects of the builder notwithstanding.

5420. Then would you render the monetary system less uncertain?—I think that that goes to the very principle of the currency question altogether. I think that the whole system upon which our money is based by the Act of 1819, confirmed by the Act of 1844, is wrong; I think we have got a wrong kind of pound, to begin with.

5421. What do you consider to be the defect of the Act of 1819?—The Act of 1819 I think, in the first place, introduced into this country a pound which was never known in this country before, exclusively. Previously to the year 1816 or 1819 (I do not know which), with the exception of 10 years from 1774 to 1784, (which exception I will mention afterwards), a debt might be paid either by tendering the silver coin of the realm at 5*s.* 2*d.* an ounce in weight or in crooked sixpences by tale. You might pay 10,000 *l.* in crooked sixpences, or the debt might be paid in gold at 5 dwts. 3 grs. to the pound; I believe that from 1774 to 1784, you could not pay above 25*l.* by tale, but otherwise it might be paid by weight.

5422. Would you recommend the issue of an inconvertible paper currency with the view of remedying the evils which you describe?—I was present, and heard the examination of Mr. Twells, and he was mentioning a project by which he thought that instead of the 14,000,000 *l.* of paper which the Bank issues upon securities, you might go to the extent of 20,000,000 *l.* of an inconvertible paper. I think I understood the proposition rightly as being to that effect. Though it is not exactly the proposition which I should make, yet I cannot see any objection to that proposition myself. Mr. Twells said, that he would be content with 14,000,000 *l.*, but recommended 20,000,000 *l.* I cannot see how that would act injuriously, or give a less valuable pound than we have at present, for that is the great point to look at, that we do not alter the value of the pound so as to interfere with existing contracts.

5423. You do not think that it would be undesirable to have two paper currencies circulating at different values?—I do not think that that would be the effect of it;

it; but if it should be so, the difference would be so trifling that precaution might be taken to prevent any inconvenience from it.

5424. Do you believe that the building trade has been subjected to difficulties in consequence of their not being able to obtain advances at a moderate rate of interest?—Undoubtedly so.

5425. What is the general rate of interest which speculators in building pay for advances?—When money is in a fair and easy state, I do not mean to say extraordinarily dear or extraordinarily cheap, we are very well content to pay five per cent. upon security or mortgage. If I build a house for 1,000 *l.*, and can raise 600 *l.* or 700 *l.* upon the security of it, and pay five per cent. for it, I am content to do it; but it does not answer my purpose to pay more than that; I cannot get any profit out it, if I do.

5426. Then, do you think that there should be some legislative provision by which loans should be secured to the building interest at a rate not greater than five per cent.?—I hardly know what you mean by loans being secured to the builder; I should say, that if he has property of adequate value, he should be able to obtain money at five per cent., on giving good security for the advance of that money. I do not think it is any part of the business of the Government to take care that I particularly am supplied with money, but merely mean, that all people having property should be able to obtain money at that rate.

5427. You think, generally, that all persons having property should be able to borrow whenever they want money, at a rate not greater than five per cent.?—I think that is essential to the welfare of the building trade, of which I am particularly speaking. I do not know how it may apply to other branches of business.

5428. Is there any other point which you would wish to mention to the Committee?—There are several points which perhaps some Member of the Committee may be good enough to examine me upon.

5429. Mr. *Cayley.*] You have just been asked whether you think that the building trade should have secured to it by Act of Parliament money at the rate of five per cent.; is it your opinion that any Act of Parliament should specifically give to any class of industry any particular rate of interest?—Certainly not.

5430. Then, is it your opinion that the fluctuating rates of interest, and the high rate of interest which the building trade has often experienced for many years past, are owing to an Act of Parliament, and that they might be prevented by an Act of Parliament?—I think so.

5431. You stated that a great change had taken place in the building trade?—Yes.

5432. When did that change begin to take place?—My recollection only extends back to about the year 1817. Then I was but a boy, and could only gain my knowledge from hearing conversations upon the subject; but the change has been gradually increasing. We have had seasons of greatprosperity; for instance, I will mention the year 1824; then we could not get men; I ran after men in the streets then, and begged them to come to work for us at an advance of wages; there was then a time of prosperity, and we got very good profits upon business.

5433. You have stated that the system used to be to build to order, and that now it is the system not to build to order?—Not so much.

5434. But that it is a speculative business?—Yes.

5435. What led to that?—I think this: I think the profits of business have been very much cut down within the last 30 or 35 years; I think a man who wishes to rise in the world can hardly expect to rise by following out a fair trade, what is called a jobbing trade, he will not make sufficient profit out of it; it is necessary for him to add speculative building to it, and that must be done not on a small scale; it must be done upon a large scale, for the builder makes very little profit out of the buildings themselves; he makes the principal part of the profit out of the improved ground-rents. Perhaps he takes a piece of ground, and agrees to give 300 *l.* a year for it; by laying it out with care, and putting certain descriptions of buildings upon it, he may succeed in making 400 *l.* or 450 *l.* a-year out of it, and his profit would be the increased ground-rent of 100 *l.* or 150 *l.* a-year, rather than the profit of the buildings which he puts upon the ground; that, in many instances, he scarcely looks at at all.

5436. Then, do you think that in these speculations the demand for houses

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is anticipated, and that there is no natural demand for them?—No. The tendency of the present mode of business is to render it necessary for a builder, in order to carry out his general business, to have the houses ready to be sold or let when there is a demand for them; he must not wait; he must not expect to get business by waiting till the order has been given for a house to be built, but he must have that house ready in the market to be taken up when it is desired.

5437. Is additional house accommodation very much wanted?—Very much wanted.

5438. Then in point of fact these speculators do not anticipate, but meet the demand?—They know that if things are let alone, the houses will be fully occupied, because building does not proceed so fast as the population. Any excess of building is always sure to be corrected in the course of a year or two. The population, I think, doubles itself in about 45 years. In 45 years' time there must be as many more houses built in London as now exist.

5439. The manner of conducting the trade having been altered, the builder, speculating upon the usual and ordinary demand, builds houses upon credit?—Yes.

5440. And the present state of the law, in your opinion, producing great changes in the value of money, in the midst of that speculation he is cut short, and his speculation fails, and his workmen are thrown adrift?—Yes; that is my opinion.

5441. Are you of opinion that the principles of our present monetary system are unsound?—I am.

5442. What do you understand to be the principle of the Acts of 1819 and 1844?—I think that the principle of the Act of 1844 is twofold. One principle of the Act is, that your mixed circulation of gold and paper shall be made to fluctuate exactly as it would do if it were an entirely metallic currency; and the second principle, I take it, is this, that the pound sterling ought to be at all times a fixed and unvarying weight of gold, say 5 pennyweights 3 grains, according to the present standard.

5443. Do you consider those unsound principles?—I do, quite.

5444. In what respect are they unsound?—I expected such a question as that to be put to me; and as it is rather an abstruse subject, and never having been previously examined before a Committee, I did not know whether I might be able to find the exact language in which I should express my opinion. I therefore beg to be allowed to put in a paper in answer to that question.

5445. Will you read it?—I consider the principles of the monetary system unsound on these grounds: "First, Because the currency, as an indispensable tool or instrument of daily and hourly use, ought not, if it can be avoided, to be of that nature as to render it liable to be withdrawn from its proper sphere of usefulness and action, for the sake of the material of which it is composed, putting thereby the subsistence of tens of thousands in jeopardy. The fluctuations which from this cause are inseparable from an entirely metallic system, are themselves, therefore, an imperfection which a properly constituted monetary system should not fail to remedy. To say the best, therefore, of a principle which affirms that 'the circulation of the country should fluctuate exactly as it would do if it were entirely metallic,' is this: that it seeks to perpetuate an imperfection; and I venture to affirm that the greater part of the questions which will have been put during this inquiry will have been for the purpose of ascertaining whether this imperfection has been scrupulously carried out in the movements of our currency during the last few years. Secondly, Because you cannot accomplish with it an object which it is essential to accomplish in any country where indirect taxation is much employed to raise a revenue; viz. the repayment to the producers of goods of the taxation which those goods bear, without increasing the metallic price of them. If you do not repay the taxation to the producer, you violate the principle and the condition upon which indirect taxation is levied, and which Mr. M'Culloch describes in these words, 'When a tax is laid on a commodity, the price necessarily rises in a corresponding proportion, otherwise the producer will not obtain the ordinary rate of profit.' And if you do allow taxation to be added to the price of goods, you increase the metallic price of them, in violation of the universal law of barter, and to the destruction of the foreign market for them. The fulfilment of these two conditions is impossible under the present money system, but was fully accomplished by that which preceded it. Thirdly, Because gold is not the natural standard of value as this

system

system assumes, but a convenient measure of value only. Mr. Horner put both corn and gold in their proper respective positions, when he said, 'Corn is the admitted standard of all values, the precious metals being the practical measure.' Parliamentary Debates, new series, vol. 9, pp. 909, 910. That, consequently, the very principle which the upholders of the existing system deem to be its perfection and its glory, namely, that a 'pound' ought to consist of a fixed unvarying weight of gold, is an unsound principle; that such a pound is incapable of the fluxional value which it is essential it should possess, to give effect to the spirit and intention of indirect taxation, and to preserve that equilibrium of gold prices in all the markets of the world, which the supporters of the existing system profess a desire to see accomplished, but which the circulation of such a pound effectually prevents. Fourthly, Because such a 'pound' exclusively, was unknown in this country until Sir Robert Peel established it. Fifthly, Because a circulation founded upon these principles is incapable of that necessary degree of expansion which the constantly increasing quantities of goods render indispensable. That the absence of this expansive quality gives the possessors of money the almost entire command over the increased and increasing productions of the country, to the undue exclusion of those by whose labour the enlarged stock has been produced. This was well described by the 'Times' some time ago, when it said, 'a fact which strikes any one on the face of society is this: That the increase in the comforts of the lowest classes is not at all proportionate to the increased facility with which these comforts are produced.' The 'Times' failed, however, to perceive that the very money system which it so strenuously supported was the main obstacle to this necessary improvement in the condition of the labouring classes. Sixthly, and lastly, Because it hinders the production of wealth, and forbids the creation of that ample stock of all kinds of commodities which the people want to consume, and which their own labour would provide for them, if they were not frustrated in their attempts by the breaking down of the money system as soon as their activities become fully engaged in production."

5446. Will you explain a little more in detail how you consider the present system affects the producers of goods who are indirectly taxed?—It affects them in this way: That the increased price which indirect taxation renders necessary cannot be obtained for any length of time together, because it leads to the export of gold from the country. The system which preceded the present, and which was accidentally fallen into in the year 1797, allowed gold to rise with goods, and therefore if the goods rose in price gold went up with them. The guinea went up to 24*s*., 25*s*., 26*s*., 27*s*., or 28*s*., as other goods went up, so that equal produce still exchanged upon equal terms. We now hold gold down, and the tax taking effect upon the goods alone, the gold becomes the cheapest article which the foreigner can take; and though you may for a short time get an increased price for the goods, yet that leads to the export of gold, the exchanges turn against us, and when the gold is exported then the screw is put on, and the goods which were formerly selling at a remunerative price, with the tax upon them, are pulled down by the contraction of the money market, by the higher rate of discount, so that you are precluded for any time together from getting the taxation price for the goods.

5447. In that case the tax falls upon the producers?—Yes, ultimately.

5448. But the price of gold during the war did not rise materially till 1810?—No, it did not.

5449. During that period were the producing classes enabled, according to your recollection, to obtain the indirect taxation which they had advanced upon their goods?—I cannot speak of that time from my recollection, but only from my reading, of course. I am inclined to think from that that they did receive taxation prices, because goods rose up at last during that time to about 50 or 60 per cent. beyond the prices at which they were in 1797.

5450. Although the price of gold did not?—Although the price of gold did not; it was against law for gold to rise.

5451. Therefore you assume that the Bank of England being not restricted in their note circulation at that time, except by their own discretion, that was sufficient for the indirect taxation to express itself in the price of goods?—Yes; the paper money of the Bank of England allowed that additional price.

5452. You would not be desirous of having the Bank Restriction Act renewed in the shape in which it then was, would you?—Not in the shape in which it

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then was exactly, but it would be far superior to the present system, I think, even if it were.

5453. Your desire is to see, in the place of the present system, as I understand you, a legal tender, which is not liable to be exported?—Yes; that you should have this instrument or tool constantly in use, without its being withdrawn for the sake of the material of which it is composed.

5454. Do you believe that a legal tender is a thing so necessary to commerce, that, supposing 20,000,000 *l.* of Bank notes are now necessary for commercial convenience, if the amount were reduced to 10,000,000 *l.*, those notes would be double the value which they now are?—I cannot say that prices exactly follow the relative proportion between commodities and the quantity of money; for there are so many modes of economising money at the present time, that I think it a dangerous doctrine to maintain that prices are exactly in proportion to the equation between money and commodities; but there is not the least doubt that such a lowering of notes from 20,000,000 *l.* to 10,000,000 *l.* must increase the pressure and lower prices amazingly, though whether exactly half I cannot say, and I think it cannot possibly be said by any one.

5455. If a legal tender be a thing of ascertained convenience to commerce, and of necessity to commerce, under the law, the value of it will depend more or less upon its supply?—Yes.

5456. You have stated that you think that there should be some means of expansion, under particular circumstances, of the currency; what do you mean by that?—I think that there wants very little provision to be made for the expansion, if you take away the rigidness of the present system. It appears to me that our present system has only one principle, namely, that of contractiblity, and not of expansibility at all. I think that if you adopted anything like Mr. Twells's proposal of 20,000,000 *l.* of notes, as he mentioned, there would be very little need of making any further provision for expansion, and it could be done by the same measure, if necessary; you might increase to 21,000,000 *l.*, if you found that the transactions of the country required your doing so.

5457. Do you believe that there would be any need of a further expansion than 20,000,000 *l.*, provided the country banks were free, the country circulation being convertible into the legal tender?—The Bank of England must issue, say 5,000,000 *l.* or 6,000,000 *l.*, upon convertibility into gold. It would be no relief if you substituted merely 20,000,000 *l.* for 20,000,000 *l.*; but if you took away the Bank securities, and allowed the Bank to issue 20,000,000 *l.*, and turned the country issues into notes convertible into gold, I think it would answer the purpose.

5458. Do you believe that the paper which you recommend would be on the average of the same value as the present Bank note which is convertible into gold?—I think that very shortly it would be of a higher value than our present standard. If any person had to be paid 10,000 *l.* 15 years hence, and had the option whether it should be paid in that way or in the standard of gold, I think he would exercise a wise discretion in choosing the paper.

5459. You think that the gold would depreciate in consequence of the increased supply from California and Australia?—I think it very probable.

5460. You would, I presume, be content, with Mr. Twells, to try the experiment with 14,500,000 *l.*?—Yes, I should be quite content to do that, but I think that the 20,000,000 *l.* would be required.

5461. With regard to the standard of value, do you attach much importance to the observations which you made with regard to gold not being the natural standard?—I do attach considerable importance to them upon principle; because I think it is acknowledged by all the authorities that gold is not the real standard of value; but that subsistence, or corn, or as others call it labour, is the real standard; labour is a kind of impalpable expression, it is not a commodity itself; but it is worked up into other commodities, therefore you can hardly call it the standard; it is better I think to call corn the standard of value.

5462. The value of any commodity in exchange depends more or less upon the amount of labour which is embodied in it?—Yes, upon the corn which is consumed during the time of labour.

5463. Then the value in the case of gold is dependent upon the amount of labour which is embodied in it?—Yes.

5464. Therefore, in that sense, labour is the standard, and gold is merely a measure

measure chosen by Parliament to express price?—There is a difference between gold and corn, in that respect, and what makes corn so superior, as a standard of value, to gold, is just this: gold might suddenly be discovered in large quantities without much labour being applied to that discovery, and it would then have a much less value, because there would not have been the labour to pay for the discovery in that shape; but corn you cannot increase in that way. Directly you want to increase corn you must begin to employ labour and to incur expense; therefore the production of corn has a necessary expense attached to it, which gives it its value.

5465. Therefore labour is the standard of the whole?—I do not object to labour; they mean the same thing; one is the wages of the other.

5466. How does the present system affect the labouring classes, generally speaking, according to your experience?—With regard to the building trade, I think, at the present time, it affects the labourer more from the uncertainty of employment than anything else; a man does not get such constant employment as he used to do. Instead of getting his six days' regular work in a week, he is frequently reduced to three and a half or four days, so that for two or three months of the year you may say that he has no wages at all.

5467. Do you attribute that to the perpetual oscillations we have had in the value of money, which create convulsions in the state of trade?—Yes, as regards the building trade; I think that the building trade would proceed very steadily but for those oscillations; there is a steady demand.

5468. You think that those oscillations are caused by the present law in regard to money?—Yes.

5469. Do you believe in the necessity of the periodical monetary convulsions to which we have been exposed for the last 35 or 40 years?—While the present monetary system lasts, I think they are unavoidable, but I think that they are quite unnecessary; that they would not occur unless they were made to occur.

5470. Is that because the base of the circulation is liable to exportation?—Yes; because the base of our legal tender is withdrawn.

5471. Do you attribute the various fluctuations and crises and panics which we have experienced since the war to the circumstance of our currency having been based upon a material so liable to exportation?—I do; I am quite of that opinion.

5472. If the base of our circulation were always stationary, how could those fluctuations occur?—I do not think that those fluctuations would occur.

5473. You say that you object to the fixed value of the pound; is it not essential to a proper measure of exchange that it should always have the same purchasing power, indirect taxation and supply and demand of commodities remaining the same?—I object to the pound being always 5 dwts. 3 grs. of gold, because, as a commodity, it cannot conform to that alteration in its purchasing power, which an addition to, or a diminution of, the indirect taxation of the country renders indispensable. It is clear, that if the prices of commodities are increased by additional taxation on them, the pound ought to be able to purchase less of them; and that if the prices of commodities are lowered by taxes being taken off them, the pound should purchase more. If, however, you make the provision that indirect taxation is unaltered, and that the supply and demand of commodities are the same, I would say that the purchasing power of your pound should be the same.

5474. Then you desire that the measure of value should be, as far as possible, always of equal purchasing power?—Yes; and, with the provisions I have mentioned, I do not want it, upon the average, to be altered from what the value of it has been during the last 40 years, since Sir Robert Peel passed his Bill of 1819. The pound has been during that time of about the following value; if you test it by the proper standard, namely, the value of corn, it has been equal to about three bushels of wheat. For the first 20 years, from 1820 to 1840, it was a little less than three bushels, wheat having been about 57 *s.* or 58 *s.* a quarter; since that time it has been exactly three bushels of wheat. For the last 15 years, wheat has averaged 53 *s.* 4 *d.* a quarter, which is 6 *s.* 8 *d.* a bushel, or three bushels to the pound sterling. Now that is the pound sterling at which we should aim, and I would arrange the monetary system so that the pound in circulation should be of the same value as it has been from 1819 to the present time, but not in gold; you may have a paper pound issued by the Government, under proper restrictions and regulations, by which you can fulfil contracts much better than by invariably paying 5 dwts. 3 grs. of gold.

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5475. Your object is, that if you enter into a contract of two or three years' duration, you shall be secure, as far as human means can secure you, that the measure of value shall be of the same value at the end of the time as at the beginning?—That is my object.

5476. And your objection to the present system is, if I understand you, that the value of the measure alters extremely during that period?—Yes.

5477. That at the commencement of 1844 or 1845, the value of the measure was two or three per cent., and in October 1847 the value was 10 per cent. for first-class bills, and probably was double for bills of an inferior character?—Yes.

5478. And your belief is, that if you had a measure of value of another character, limited in amount, those oscillations could not take place?—I think so.

5479. And that damage would not take place?—I think so.

5480. To what do you attribute panics?—I attribute panics to the base of our legal tender being withdrawn; and though we may get certainly a mercantile equivalent for the gold which we send abroad, the difference is that we let the commodity go which is our legal tender, and that though what we receive back is a mercantile equivalent in a certain sense, it is not the legal tender, it does not discharge debt or a sheriff's warrant; and it acts upon prices so that the export of 10,000,000 *l.* of that commodity may affect the value of 100,000,000 *l.* of other commodities.

5481. It affects all property throughout the kingdom?—Yes; and probably to four or five times the value of the mere exportation.

5482. Then your desire in the change which you recommend is not to depreciate the value of the pound, is it?—Not at all; I think it would enhance it most probably, that is, that the pound would procure you more of the necessaries and conveniences of life.

5483. You are not in favour of what is called inconvertible paper, in the sense of worthless paper, are you?—Not at all.

5484. How do you distinguish between your paper and the rags which have in other cases been issued?—Unless I know the principle I cannot say.

5485. Take the French assignats?—The French assignats were issued upon no principle at all, because no provision was made for their redemption. Even if all our present notes were convertible into gold and you cast that gold into a round ball and put it on the top of St. Paul's, where it was inaccessible, and could not redeem the notes, the notes would be as worthless as the French assignats, though they might be convertible into gold, and the gold might be there, but it would be unapproachable. If you issue the notes, there must be a process by which they shall be properly cancelled after having fulfilled their purpose.

5486. Supposing the world were disposed to distrust this limited paper which you recommend, and they demanded gold for the whole of it, do you think it would be better that the paper should be inconvertible, although the value of it in gold was placed in a ball at the top of the Bank of England?—If you are speaking of the foreign world around us, I think they have nothing at all to do with our paper; they look for their balances to be paid in gold or in silver. The foreigner does not care what we use among ourselves; all he looks at is the rate of exchange, when he makes a bargain, to see how much the English money he receives will return him in his own money or in any commodity.

5487-8. Do you think that the foreigner generally looks for payment in gold, or in commodities?—He looks at the money of the country with which he deals, and sees how much it will yield him. I should have no objection to the Government establishing an office at which notes should be immediately convertible at the market price.

5489. What is the foreigner's object in asking for gold?—He only takes it as a mode of estimating whether he is making a good bargain. All adverse exchanges may be paid in gold; I suppose that in the long run all foreign balances are paid in commodities, and that gold is generally exported only when they cannot be paid in any other way.

5490. Do you think that there would be any difficulty in settling foreign transactions under the system which you recommend?—Not the least in the world; I think it quite as convenient, and I will say more so, than the present system. How did it operate during the time of the Bank Restriction Act? The pound, which is 25 francs 20 cents in French money, went down as low as 19, 18, and 17 francs; but it made no difference to the foreigner, because he said, "I get in England 6 *l.* in money, where I formerly got 4 *l.*; but those 6 *l.* are worth 17 francs each, whereas the 4 *l.* were worth 25 francs 20 cents each."

5491. What

5491. What is the present exchange in France?—The par is twenty-five francs 20 cents.

5492. If the paper did not depreciate as regards gold, the rate of exchange would remain as before?—Yes; the course of exchange might vary, which would depend upon the excess of bills in one place over another; but that would be very small. That fluctuation would always be somewhere within 1 per cent., but the par of exchange must remain the same.

5493. I think you have stated that the working classes are prevented by the present system from sharing in the improvements to which they so much contribute?—I think they share to some extent, but not to the extent that they ought to do.

5494. In what way are they prevented in any degree?—I think we shall have to come to practical facts. I made some extracts some time ago, in which I think it was acknowledged, on all hands, that the working classes did not share as they should do. "Sir Robert Peel acquainted the House of Commons with his discovery, that while luxury was making considerable progress in the ranks above the lower, the condition of that most numerous rank was growing worse; poverty was proceeding down below, with as much rapidity as luxury was above." Those were Sir Robert Peel's own words.

5495. When was that?—About the year 1842. The "Times" again said, "Whoever may chance to be benefited by any change in the laws which regulate our commercial or economical relations, our foreign commerce or our home trade, certain it is, that the poor man, the labouring workman, whose exertions formed the staff and staple of the whole, never participates in the gain." I do not hold with that. I believe that the working population have received a share of the improvements, but not to the extent which they ought to have done. "And equally true it is, that wherever else the loss which these changes occasion may happen to fall, the workman is sure to be the party who at last has to pay the piper." Then if you read such works as Dr. Taylor's Tour in the Manufacturing Districts, or the Poor Law Commissioners' Report upon the Sanitary Condition of the Labouring Population, or even the Report of the Educational Conference which came to an end the other day, which report was written by the Bishop of Oxford, and which stated, that it was the extreme poverty of the people that prevented their attendance at the schools, to the extent which ought to exist, I think we must come to the conclusion, that the labouring population do not share, to the extent that they ought to do, in the increase of the comforts and necessaries of life.

5496. Assuming those to be facts, how do you connect them with the monetary system?—Because the monetary system has a tendency to drag down the remuneration of labour; the remuneration of the master in the first instance, and as he must get it from some one, he comes upon the labourer at last.

5497. How does it drag down the remuneration of the master?—It prevents his receiving any additional price for what he has laid out in taxation, and it must come out of some fund. If the labouring value of a certain commodity be 20*s.*, and there is an additional expense of taxation of 6*s.* or 7*s.*, and your money system prevents your having more than 20*s.* instead of 26*s.* for it, the 6*s.* must be got by the master by reducing the cost of that article; he must make the cost 14*s.* instead of 20*s.*, and he does it, I apprehend, by coming down upon the classes whom he employs.

5498. It has been stated before this Committee that the manufactures and commerce of the country could be carried on by means of a purely metallic currency; what is your opinion upon that point?—I think it is so extraordinary a notion, that I can hardly imagine that it would enter into the head of any sane man. I think you might as well go and try to carry the cottons of Manchester, the coals of Northumberland, and the iron of Staffordshire on the backs of pack-horses again, as the commodities were transferred formerly, as to try to carry on the multitudinous concerns of this country by a metallic currency. I have a little work here, from which I will read an extract of what General Harrison, the President of the United States, said upon that point in his inaugural address; General Harrison uses these words:—"Connected with this subject is the character of the currency. The idea of making it exclusively metallic, however well intended, appears to me to be fraught with more fatal consequences than any other scheme (having no relation to the personal rights of the citizens) that has ever been devised. If any single scheme could produce the effect of arresting

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at once that mutation of condition by which thousands of our most indigent fellow-citizens, by their industry and enterprise, are raised to the possession of wealth, that is one. If there is one measure better calculated than another to produce that state of things so much deprecated by all true republicans, by which the rich are daily adding to their hoards, and the poor sinking deeper into penury, it is an exclusive metallic currency. Or if there is a process by which the character of the country for generosity and nobleness of feeling may be destroyed by the great increase and necessary toleration of usury, it is an exclusive metallic currency." I think after that I need not add anything to it.

5499. That tallies very much with the extract from the speech of Sir Robert Peel, which you just now read?—It does very much.

5500. The system of currency at that time was supposed to oscillate precisely as a metallic currency would oscillate?—Sir Robert Peel had not passed his Bill of 1844 I think when he made those remarks.

5501. But that was in accordance with the principles of the Act of 1819?—Yes. The principles of the Act were the same, although the discretion of the Bank Directors might in some degree modify them.

5502. You have heard Mr. Chapman's evidence to day, have you not?—I was very busy copying the paper which I have read, so that I did not attend to it particularly; I heard some portion of it.

5503. You heard the latter part of his evidence as to the disastrous consequences which accrued to the mercantile classes when bullion was suddenly withdrawn?—Yes.

5504. Do you agree in the statements and facts which he adduced?—Quite so.

5505. Did you hear his suggestions as to a remedy?—I think he said, that a discretionary power should be lodged somewhere, though he would not exactly say where, by which an increase of the issues should be permitted under proper fences and guards; but I do not think he contemplated any change in the principles of the law, as regards the convertibility of the pound into 5 dwts. 3 grs. of gold.

5506. Did he not suggest also that there should be a graduated rate of interest proportioned to the amount of bullion in the Bank?—Yes, I heard that.

5507. Do you agree in his remedies?—I do not think that I am competent to speak upon that matter.

5508. Then upon the whole, if I understand your evidence, you think that the present system is a somewhat adroit scheme for bringing the profits of industry periodically into the usurer's bag?—I think so. I know that it has operated so in the building trade.

5509. Mr. *Tite.*] Is your business in London, or in the country?—It has been principally in London; I am not now in business on my own account; but I pursue the professional part, and have a standing engagement with a house of business.

5510. What are they?—They are corrugated iron manufacturers, and constructors of buildings principally of corrugated iron.

5511. Were you a builder in London?—I was.

5512. Up to what period?—Up to the year 1848.

5513. Were you acquainted with the leading builders on a large scale, such as Mr. Thomas Cubitt, Mr. Kelk and others?—I know Mr. Kelk and Sir Samuel Peto; I did not know Mr. Cubitt.

5514. You have spoken of change in the system of building?—Yes.

5515. Does not your experience carry you back to the same system from the time when Burton began to build Burton-crescent and Russell-square?—I think that must have been before the time to which I allude; I have no recollection of those buildings being erected.

5516. Do you know the fact of Burton building St. Leonard's-on-Sea?—I have heard so; I know Mr. Crake, who also built a considerable portion of St. Leonard's.

5517. I am rather referring to the building of St. Leonard's as leading you back to the time more than 50 years ago, when Mr. Burton was a leading speculative builder in London; was he a man of large fortune?—I cannot say at all.

5518. Do you know whether Mr. Kelk was a man of fortune and reputation?—I should imagine he was; he has been carrying on an extensive business.

5519. You know nothing, I suppose, of the Messrs. Cubitt and their fortune?—I know nothing of the circumstances of any one of them.

5520. Your remarks seemed to lead a little to the desirableness of encouraging speculators in building who had not much capital, and if I understood you correctly, you gave an instance that a man might take a speculation, undertaking to spend 50,000 *l.* in building, having only an actual capital of 1,500 *l.*?—I say, that so far as that is the case, it is going back from a sound and prudent system. I said, that under the old monetary system, building was confined to a very moderate and prudent extent by men whose main reliance was business upon orders, and that they had three or four houses on the stocks to keep their men employed; but that that system would not answer at the present day at all, for a man could not get a living at it. That he must be a man almost of reckless daring, and must take a large plot of ground, which would scarcely be considered prudent upon commercial principles.

5521. Granting that the system has changed, which I am not disposed to concede, do you think that it is right, and prudent, and wise for a man to venture upon a large speculation of 50,000 *l.*, having so small a capital as 1,500 *l.*?—I do not think it is prudent. I cannot justify the thing upon the soundness of it; but I can justify the builder in doing it, because he is shut up to it; he can do nothing else; he has to get his living by the business, and he must make it in the way which is open to him by the law.

5522. Is not the case this, that if the thing goes right he will get an advantage by it, but if not he will break his back?—Yes.

5523. Can you imagine anything so unbecoming and improper as that?—I think that proper legislative enactments would have a tendency to discourage such speculations, that they would turn building into legitimate channels, and make men of comparatively small means carry on business in a prudent manner.

5524. In what way?—I think that the profits of general business have been almost annihilated. I have myself put in tenders for works at five per cent. profit, calculating to pay ready money for everything, works which would take me two years to execute, and those contracts have been taken at 20 per cent. under my prices, which would be 15 per cent. under prime cost.

5525. That cannot be attributed to the currency; a man might do an imprudent thing, or it might be a prudent thing, by his having greater means or a larger business than you; but do you think that the currency has anything to do with such a state of things of a speculative character?—I think so; I think that the monetary regulations of 1819 and 1844 have a tendency to produce that result; that they throw business into the hands of a few men who, either by superior acuteness or connexion, have command of capital which they can use to the detriment of men who would be glad to go on in a quiet way, but cannot.

5526. In what way do you think that Sir Robert Peel's Act has to do with that?—I think that it has lowered the profits of general business; that you cannot get, ordinarily speaking, a sufficient profit without carrying out such speculations as I have mentioned.

5527. Then you think that that has been the effect of that Act?—I think so.

5528. Mr. *Puller.*] You propose an inconvertible currency; what would your form of note be?—That is a mere matter of detail; but it would not be a promise to pay five pennyweights three grains of gold, certainly.

5529. What would it be?—You might put upon it, if you liked, "Value One Pound."

5530. What would that mean?—That would be a note which would give you three bushels of wheat, upon the average.

5531. It would not at any one time give you three bushels of wheat?—No; wheat is a thing which fluctuates from season to season, so that I could not say that this year it would actually give you three bushels, or that next year it would actually give you three bushels, nor does the present pound do so; sometimes it gives two bushels of wheat, and sometimes four bushels.

5532. What would it give me?—It would give you, of any commodity, as much as the pound of five pennyweights three grains of gold does.

5533. That brings me back to gold as a standard?—It would give you what you chose to purchase with it.

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5534. Mr. *Cayley.*] If you had your 20,000,000*l.* or 14,500,000*l.* of notes upon securities, issued by the Bank of England, although inconvertible (except into taxes or in the last resort into those securities), do you believe that that issue would not buy you as many commodities as the present 14,000,000*l.* issued upon securities?—I think it would buy you more, but I do not think that 14,000,000*l.* alone is enough.

5535. Then it would not be of less value, but of more value?—I think it would be of more value if you had merely 14,000,000*l.* of issue; if you brought it to 20,000,000*l.* of issue, I think you would have a pound of equal value with your five pennyweights and three grains of gold.

5536. Whether that 14,000,000*l.* was divided into one pound notes or five pound notes would make no difference, in your view?—No.

5537. Mr. *Puller.*] What would give any value at all to this piece of paper with "One pound" written upon it?—That would depend on the manner in which it was issued; if issued by the Government it might be receivable in payment of taxes.

5538. *Chairman.*] Did you not state that those notes which you propose might sometimes be of more value than gold?—I think very likely they would be.

5539. Do you think that this case would ever occur, that one of these 5*l.* inconvertible notes would be worth 5½ sovereigns?—I think it is very probable.

5540. What state of things do you think would produce that result?—I think that if a continued influx of gold comes in from California and Australia, the paper pound, limited to the amount which I have mentioned, will bear a premium most probably in three or four years' time in comparison with the gold pound of five pennyweights three grains. General Thompson, a few years ago, when the gold mines were first discovered to a great extent in California and Australia, gave notice of a series of resolutions which he was going to bring before The House. He thought that the gold would shortly so fall in value that the pound of five pennyweights three grains would no longer fairly pay the national creditor his dividends; and he sought to establish the principle of corn being the standard of value, and to establish the principle of a corn rent, by which, when wheat was under a certain price per quarter, paper should be issued to bring it up.

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FROM

COMMITTEES:

ELEVEN VOLUMES.

(6.—Part II.)

BANK ACTS.

Session

30 *April* —— 28 *August* 1857.

VOL. X.—Part II.

1857—Sess. 2.

REPORTS FROM COMMITTEES:

1857—Sess. 2.

ELEVEN VOLUMES:—CONTENTS OF THE

SIXTH VOLUME.—PART II.

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APPENDIX.

Appendix, No. 1.

(*Confidential.*)

REMARKS and OPINIONS of the Governors and some of the Directors of the Bank of *England* on the Bank Charter Act of 1844, and the *Irish* and *Scotch* Banking Acts of 1845. Appendix, No. 1.

Questions proposed.

1. Have you any suggestion to offer with reference to the operation of the Act of 1844?
2. Would you recommend its renewal, as it stands, for another term?
3. If not, what amendments to you seem advisable?

Note.—I would beg of you to extend your observations to the Irish and Scotch Acts of 1845.

The Governor of the Bank of *England* to the Right hon. the Chancellor of the Exchequer.

My dear Sir George, Bank of England, 10 November 1856.

I HAVE the pleasure to forward to you copies of the opinions of several of my colleagues, upon the operation of the Banking Acts of 1844 and 1845, in reply to the desire expressed in your letter to me of the 24th September last. *T. M. Weguelin*, Esq.

In adding my own opinion, I am constrained to appeal to your indulgence if my remarks should acquire some length, though it will be my endeavour to indicate rather the heads of argument than to illustrate or develop them.

It appears to me that much of the opposition to the Act of 1844 has been directed rather against the reasoning upon which the Act was founded and by which it has been defended, than against the provisions of the Act itself. I am speaking, of course, of those who consider some limit beyond simple convertibility of the note as necessary.

If I consider the plan enunciated by Mr. Palmer, or the opinions of Mr. Tooke, I am led to the conclusion that they involve the idea of some such limit, although, in my opinion, not of so effective application as that established by the Act of 1844.

Mr. Palmer's plan, you may recollect, consisted in maintaining an average amount of banking securities, independent of the capital of the Bank, and allowing the bullion to fluctuate according to the wants of commerce.

Mr. Tooke, apparently, would place the limit, or rather, the binding obligation, upon the amount of bullion to be maintained.

Now, I think the limitation of the Act of 1844 is easier of application, acts in a more constant and regular manner by a clearer distinction of the liabilities of the Bank; and, as regards Mr. Palmer's plan, is felt at an earlier period of a drain of the precious metals.

The restriction placed upon the country issuers has, I think, operated beneficially in maintaining the credit of that portion of the circulation; the exceptions in comparison with former periods having been unimportant.

But, on the other hand, the Act, and more especially the reasoning of its supporters, encourage a dangerous theory that the Bank of England in its banking department may, in all respects, act as would a private banker in the management of his deposits. It thus favours the competition with private money-lenders, which in periods of large deposits is apt to produce an unwarranted inflation of credit.

In periods of a drain of bullion, it makes no distinction as to the causes of the drain. Its theory is, that the Bank should be governed in its action by the rate of interest out of doors, and that whenever it has the power to raise the rate of discount it should use it. But here no distinction is drawn between a drain for exports, which is the consequence of an inflation of credit, and a drain for the internal accommodation of the country, which may be caused by discredit, or which may merely represent the natural oscillation of the currency.

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These two causes, in my opinion, require opposite treatment.

The limitation of issue, which in the former case is salutary by forcing the Bank to defend its treasure by action on the rate of interest or restriction in the discount of bills, in the latter case of internal discredit, would add to and intensify the difficulty; or, in the case of the natural oscillation of the currency, leads to erroneous conclusions in the public mind as to the true position of the bank in times of difficulty.

Again, there are times and circumstances in the external demand for treasure which may render the maintenance of the limit impossible; circumstances, I mean, over which no action of the Bank can exercise control. I allude to Government loans in a state of war. The Government is enabled to borrow on its stock to an amount, and at a rate of interest, which has no affinity to the rate of discount which the Bank may think it necessary to demand. Having made its contract for the loan, it can use the proceeds by exporting treasure for the payment of troops on foreign service, wholly irrespective of any action on the part of the Bank.

Now with regard to the oscillation of the internal circulation of the country, I may notice that there is, periodically, a demand for currency from the Scotch and Irish banks, which, whilst it produces a most sensible effect upon the Bank of England reserve, is uncontrollable by any action of the Bank. At certain periods of the year, especially after harvest, the demand for currency commonly greatly exceeds the authorised issue; and as the excess must be issued on gold deposited in certain specified places, that gold is withdrawn from the Bank reserve, to be again restored to it when the reflux of the currency of the Scotch and Irish banks takes place, which is usually in the months of December to March. The Scotch banks very generally exceed their authorised aggregate issue; but with the Irish banks, although the aggregate issue is not usually exceeded, yet it often happens that some are in excess, whilst others are under the authorised amount. But as each bank has to provide for its own excess, the demand on the London bullion reserve is as great as if the whole Irish circulation had gone beyond its limit.

The quarterly oscillation of the English circulation amounts to from 2 000,000 *l.* to 2,500,000 *l.* in notes, and probably from 500,000 *l.* to 800,000 *l.* in coin. There is also noticeable a weekly vibration of both notes and coin. These effects are produced by the payment of dividends, salaries, wages, &c., and the receipt on the other hand for revenue and the setting free of circulation by the gradual disbursements of the public.

I notice this ebb and flow of the circulation, to show how the proportion of bullion which guarantees the active circulation may vary. For instance :—The active circulation at one time of the quarter is 18,000,000 *l.*, at another 20,500,000 *l.*: as 14,500,000 *l.* are issued on securities, it follows that 3,500,000 *l.* is the bullion guarantee of 18,000,000 *l.*, and 6,000,000 *l.* the bullion guarantee of 20,500,000 *l.*, or a varying proportion of 19 and 29 per cent.

The banking reserve is acted upon disadvantageously in similar proportions; as, practically speaking, it must be understood that the banking reserve is the balance of the total issue, after satisfying the wants of the public for circulation.

There is a practical embarrassment in the working of the present Act, during periods of declining rates of interest, caused by the agreements with the bankers named in the Schedule of the Act, and by the duty of the Bank towards its private customers. Instead of an allowance of 1 per cent. per annum on the amount of abandoned circulation, the Bank agrees to discount certain specified amounts at 1 per cent. below the Bank's minimum rate. It seems equitable, therefore, that the Bank should not fix its minimum materially above the value of money out of doors. But I think this leads to an unwholesome competition with other lenders.

These or similar defects would probably be incidental to any measure of limitation beyond mere convertibility. Some of them might be removed by absorbing all other issues of bank notes, but the effect of this would not in my opinion be in all cases a substitution of Bank of England notes for country circulation. Much capital would thereby be lost, that is, actual gold and silver must be substituted for notes now used in internal transactions.

Irrespective of theories upon the subject of the currency, what should be the policy of the Legislature with regard to it?

The receipts and payments by Government would undoubtedly maintain the credit of a large amount of bank notes apart from, and independent of, a metallic basis. Experience alone could show what this amount might safely be, supposing there were but a single issuer.

In the present composite structure of the currency, this may be said to be indicated by the 14,500,000 *l.* issued on securities so far as the Bank of England is concerned.

It cannot be the policy of the Legislature to encourage the issue of bank notes to the utmost extent that the credit of the issuer would keep in circulation. It would be most desirable, even if there were one sole issuer, that a metallic reserve should be maintained in the country, not alone for the purposes of internal credit, but for occasions of sudden exigencies, which might occasion and demand an external drain of the precious metals.

If this would be desirable when the Government should have all the profit of the circulation, it is still more so when the profit is distributed amongst private undertakings.

With this view it should be the policy of the Legislature to encourage the circulation of coin for small payments, and prohibit the use of 1 *l.* and 2 *l.* notes. This would be a reserve in times of extreme difficulty.

It may be said that this argument favours the limitation of a paper circulation to its exact equivalent in bullion. But besides that this would be an unnecessary sacrifice of capital, it must

must be considered that the complete disuse of a credit circulation would be a serious bar to its introduction in times of emergency, causing alarm, and thereby adding to the difficulty rather than relieving it. Two questions here suggest themselves :—

1. Would it be desirable that the circulation should be issued by the Government? and

2. Should the functions of issue be separated from those of banking, by placing the former department in the hands of special Commissioners?

1st. I think that the Government should have nothing to do with the issue of bank notes, as it would be subjected to all the clamour and unpopularity which are engendered by financial and monetary crises. The circulation would not be free from political influence, for reasons of State might be pleaded for measures which would endanger the value and stability of property: and experience has shown that no Government hitherto has possessed this power that has not abused it. In times of emergency, discredit of the Government paper would enormously add to the difficulty.

Some of these reasons apply to the separation of the Issue Department from the Bank of England, and there are other reasons which render this inexpedient.

It would more apparently than at present reduce the Bank of England to the level of an ordinary Joint Stock Bank; and thus the strength which is derived from the Bank's intimate connection with the Government would be lost.

This connection is assumed by the public to exist notwithstanding the enactment of 1844, the theory of which denies all value to this connection; and I think it is necessary to maintain this impression, so long as it is deemed advisable to publish the weekly accounts of the Liabilities and Assets of the Bank. The separation would, moreover, relieve the Bank of some portion of its responsibility, and would be an inducement to manage its banking business more nearly on the principle of an ordinary joint stock bank, investing its deposits much more closely, and shutting its doors when it was not convenient to discount.

By this the distinctive character of the Bank of England, as a bank of reserve, would be lost; and it is questionable whether a monied corporation with so large a capital as the Bank of England, relieved from such responsibility, and deprived of such character, might not have a dangerous influence on the money market.

If the Act be continued in its present shape, there would remain to be discussed the questions, whether the present amount issued upon securities is correctly fixed at 14,500,000 *l.*? and secondly, whether there should be a machinery provided for the relaxation of the Act in cases of emergency or discredit?

On the first question, arguing on the principle of the Act, that a certain proportion of the active circulation should be issued in gold, I am inclined to think the amount should not be increased.

The circulation in the hands of the public varies from 18,000,000 *l.* to 21,000,000 *l.*

At the lowest point, the Act would require 3,500,000 *l.*; at the highest, 6,500,000 *l.*, in gold, as a basis to ensure convertibility.

To raise the issue on securities to 16,000,000 *l.*, as proposed by Mr. Norman, would reduce these bases respectively to 2,000,000 *l.* and 5,000,000 *l.*, which appears to me too low a proportion.

Secondly, as to the power of relaxation. This point was fully considered by the framers of the Act. To provide machinery for the purpose of relaxing, it was thought, would encourage an undue reliance upon this exceptional means of relief, and that it was the function of the Government to intervene in such a case, and of the Government alone, under its official responsibility.

This power having been once exercised already, there is no cause to apprehend a panic, such as occurred in 1847. The public believe that it would be exercised again under similar circumstances.

Some advantages might be derived, possibly, from an enactment, laying down rules how such power should be exercised.

Having considered the question fully, as regards the limitation placed upon the power of issue, a large portion of the subject has not been adverted to, which relates to the management of the Bank of England, and, by implication, of other banks, as a bank of deposit.

And here the first anomaly that presents itself, and which is at the root of all the difficulty to which the Bank is subjected under any system of restriction, is that the Bank is expected to open its doors to all comers, and make advances to any amount, provided only good banking security, such as unexceptionable bills of exchange, are tendered to it.

There are two ways of meeting the difficulty caused by this anomaly.

One is by successively raising the rate of interest, which, it is assumed, will eventually raise the value of money above its value abroad, and thus cause it to flow to this country; the other is, by placing restriction upon the term for which the Bank makes advances, and thus acting directly on the foreign exchanges by discouraging the negotiation of any but bills at short date upon England.

The Bank has of late, to a certain extent, combined these modes of action.

It is not here the place to enter upon arguments *pro* and *con* upon this subject; and I therefore pass on to the question as to the proportion of reserve which the Bank should endeavour to maintain in its banking department.

This is notoriously very much higher than any private banker deems necessary in the management of his deposits; and, according to the usual practice of the Bank, varies in times of scarcity of money, from one-third to one-fourth the amount of its deposits.

But if this be contrasted with the reserves kept, for instance, by the joint stock banks, a new and hitherto little considered source of danger to the credit of the country will present itself.

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itself. The joint stock banks of London, judging by their published accounts, have deposits to the amount of 30,000,000 *l.* Their capital is not more than 3,000,000 *l.*, and they have on an average 31,000,000 *l.* invested in one kind of security or another, leaving only 2,000,000 *l.* of reserve against all this mass of liabilities.

It is impossible to foresee the consequences of the failure of one of these large establishments; and it is a branch of the subject which, in my opinion, more pressingly requires the attention of Parliament than any alteration in the Banking Acts of 1844 and 1845.

I remain, &c.
(signed) *T. M. Weguelin.*

Sheffield Neave, Esq.

S. Neave, Esq.

I CONSIDER that the Bill of 1844 has been productive of great advantages, and has fully answered the main purposes for which it was devised, viz., the securing the convertibility of the note circulation generally; the fixing certain impassable limits to all issues, whereby insolvency has been so much less frequent; the following out of the only true principle, that the fluctuations of the currency should correspond with and be to the like amount that they would have been had it been purely metallic.

With the exception of security being taken of the country bankers, the effect is the same as if there were but one bank of issue.

It has been objected, however, that these desirable objects have been attended with great drawbacks; and the crisis of 1847 has been pointed at in proof that some relaxation is, under moments of great pressure, absolutely necessary. The letter permitting further issues is adduced to show that the strict provisions of the Bill were unendurable.

Whilst I am constrained to admit a part of this assertion, I am desirous of separating it from the general argument; and also to show, as regards other considerations, that what had weight at that time has to a great degree lost its cogency now.

The present action of the Bank, of varying its rate of discount according to the demand and with relation to the banking means at its command, is the correct one. If a power existed anywhere to create a new issue of notes, this would of course diminish the stringency of rate of discount, notes being by their increase *pro tanto* cheapened; whereas, if gold leaves the country, what remains of the currency (notes and gold) should by common laws become of enhanced value.

Whatever, therefore, is an addition to the currency, counteracts the natural contraction and its concomitant and efficient action on rate of discount, whereby alone this country becomes the better market for gold, and capital also; and by their return things are restored to their former position. The supposed relief would at best be the occasion of delay till a further amount of gold had gone out equal to the new issue, and then the straitening scarcity would have reached the same point from which we started: a fresh demand for issue would be repeated till gold was exhausted, and the convertibility of the note altogether endangered.

No claim for extraordinary issue can be entertained on the above ground.

The machinery of the Act of 1844 is complete and self-adjusting; but in 1847 there was a disturbing cause quite distinct and extraneous from the intended action of the Bill, arising from the moral fears of men under panic, thereby causing an instantaneous and violent collapse, unforeseen and unprovided for.

Under the influence of panic, notes cease to circulate as freely as before, however much their dearness tends to economy and to the more active use of them. The effect of alarm is stronger still—hoarding commences; no one likes to let them go beyond their reach, and the lock-up becomes general.

Supposing about 19,000,000 *l.* or 20,000,000 *l.* to be the ordinary wants of the public, and this be taken as the normal point, the paralysis and contraction by panic, by its virtual annihilation, renders notes more necessary to perform the same number of transactions.

This was a pressure so much in addition to the wholesome one of a high rate of interest, and was such as to interfere with the means of conducting the internal trade of the country, at a moment, too, when it should be most fostered, and its multiplied transactions make a healthy and legitimate call for currency, whereby, so far, gold would rise in value and be the more attracted to this country. What was hoarded would thus have been eminently useful without altering the due effect on the quantity of the currency in any particular. This peculiar cause of panic, viz., the fear that there may be a point when notes may be unattainable at any price, is, perhaps, in the nature of things, occasionally inevitable, and should have been provided for in the Bill of 1844, and was indeed suggested at the time. The omission led to much unnecessary suffering, and the necessity of an exceptional measure was not admitted till commerce had reached a point of endurance when the evil had manifestly become intolerable.

Assuming that the power of relaxation was at that time beneficially exercised, it may be said that then the Act was but theoretically understood, and its real stringency not previously apprehended.

The public were acccustomed to rely on the Bank as a certain place of resort when other sources of loans were dried up; and in this confidence, in common with bankers and others, made little or no provision as they saw the cloud approaching.

It is true had the Bank acted on the rate of discount sooner, the pressure necessary for remedying

remedying the evil would have been earlier and more gradual, and men would have contracted their engagements owing to such timely warning; but the Bank, as well as the public, had to learn their lesson, and having hitherto looked almost entirely to the foreign exchanges as their sole guide and monitor (with the power of issue at pleasure), had to be made to feel that even when the exchanges had ceased to be unfavourable, their sole reliance now must be only on their own till.

It was, perhaps, necessary that some such tremendous experience as the crisis of 1847 should have taken place before the scope and full action of the Bill of 1844 could be generally understood, and the means of working it out properly elucidated, to the ignorance of which, doubtless, much of the intensity at least of that calamity may be attributed.

The example by what means we have lately passed through a period of war, which in the former state of the law, and certainly under the former tardy action of the Bank, would not have passed over without crisis and panic, is a proof that the early and timely raising the rate of discount (which superseded the necessity of the more disturbing course of refusing discounts, and is in conformity the rather with the prestige that the Bank opens its doors to all, though at its own price) is the only key to the due working the machinery of the Bill; no great discovery it may be said, but practically arrived at by the necessity of the Bank's new position.

The lesson having been learnt, and the whole bearing of the subject far better understood by all, it remains to inquire whether that dearly bought but acquired knowledge is sufficient to make any further legislative provision for an avowedly exceptional object necessary, presuming always, that in every particular other than that of panic, the Act is all-sufficient.

The sudden and complete, nay simultaneous, effect of the bare knowledge that notes were to be had, is proof how little is wanting to tranquillise, and, therefore, to anticipate and prevent alarm, so catching, so unreasoning, wide-spreading, and uncontrollable.

It is, therefore, for the above reasons, that the danger from panic (lest notes should be totally unattainable) is now very much diminished; but who can say what other class of circumstances may not occasion panic again? for although no provision had been made by the Act, yet unendurable pressure forcibly burst a passage or valve through the Bill; and the certainty that this safety-valve can again be still more readily had recourse to, will probably be in future a sufficient antidote against needless alarm; and such a sudden action on the currency, arising out of the peculiar cause above alluded to, need not any longer be apprehended.

The knowledge alone that, should the case arise, relief will be at hand, it may be said, is enough, without actual legislation at all. I am inclined to think so too, and shall therefore be content now (which I should not have been before) to see the Bill left untouched, and in its full integrity. It is because I cannot but fear that if a definite power were given to Commissioners appointed by an Act of Parliament (though I admit their services might possibly be required), it might lead to a misapprehension of its limited extent (*vide* Sir Robert Peel's letter to Mr. Cotton, in his evidence upon the Commercial Distress in 1848), and a host of clamourers would arise, especially amongst traders without capital, which might lead to a too facile relaxation, and endanger the very principle of the Bill which I desire so much to uphold.

With regard to the suggestion that 14,000,000 *l.* on security might be enlarged to 16,000,000 *l.*, I am of the same opinion as regards safety, though I do not see any corresponding advantage to be gained.

The advocates of the measure, who look for an extension of currency thereby, are mistaken. It would not, permanently, add one farthing to it, but would release so much gold from the Bank vaults, and leave so much less as the store, independent of oscillations, on which the convertibility of the note is to depend. The amount of 14,000,000 *l.* has been determined on by that which is supposed to be the minimum which the public could by possibility do with, but which in the most depressed state of the circulation would leave a sufficient amount of gold in the coffers of the Bank (and the notes with the public were, in December 1839, below 16,000 *l.*); and under the consideration that if the gold were nearly all gone, yet the necessity for that minimum would preclude the coming for exchange for gold. It might be safe to raise it to 16,000,000 *l.*; but for whose advantage? The letting loose so much gold at present in hand, would have the disadvantage of permanently reducing the amount held by the Bank by so much. The advantage would be insignificant. The issue of such 2,000,000 *l.* of notes (as in the case of the 14,000,000 *l.*), would allow so much otherwise dead and unproductive capital to be more usefully employed in substitution for the gold exported, and to this extent an economy would be effected.

The figure 14,000,000 *l.*, therefore, perhaps is high enough, with a view to public confidence in the undoubted convertibility of the note.

With regard to the Scotch and Irish Acts, doubtless they are defective and wanting in assimilation with that for England in respect to notes under 5 *l.*; which are those for which gold is more likely to be demanded in the event of any alarm or discredit which would probably occur at the most inconvenient moments (as may be seen by former experience), calling for gold from England, and aggravating its scarcity by such unlooked-for drain. The amount is not insignificant, if it be true that one-half of notes in Ireland, and three-fourths in Scotland, are under 5 *l.*; they should, if possible, be extinguished altogether. The Bank of England note should be made legal tender throughout the United Kingdom.

The Scotch and Irish banks might, when they extend their issues, hold Bank of England notes for such portion of their own notes as were not below 5 *l.*

This would obviate the necessity of their periodical supply of gold from England, which last month was to a most inconvenient amount, viz., 350,000 *l.* to Ireland, and 125,000 *l.* to Scotland.

Appendix, No. 1.

S. Neave, Esq.

Scotland. The expense of needless transmission of gold would be saved, it being not for use; for it is seldom unpacked, and is so returned, but called for in order to conform to the letter of the Act.

It would be an advantage to the several localities, and a great improvement, if all banks of issue whatsoever, deposited security as the Bank of England does, with permission to compound.

John Horsley Palmer, Esq.

15 October 1856.

J. H. Palmer, Esq.

I HAVE entertained an unfavourable opinion of the Act of 1844 from the period of its enactment, and which is confirmed by its operation to the present time.

1st *Q.* Have you any suggestions to offer with reference to the operation of the Act of 1844?

A. It has had the effect of creating an undue expansion of credit upon the increase of bullion during a favourable exchange with foreign countries by the frequent and great reduction in the rate of interest by the Bank of England, with the view of increasing the amount of bills of exchange under discount at such reduced rates of interest, which, when established, did not accomplish the object to any extent. Witness the periods of 1844–45, 1848–49, 1850, and 1852. In a period of commercial discredit, subsequent to an unfavourable exchange with foreign countries, the Bill has rendered the Bank powerless under a temporary pressure on the part of the public (the unfavourable change having long ceased), by the limitation of issue imposed upon the Bank when a much larger amount of gold was in the Issue Department than was requisite to secure the convertibility of the bank-note. This was clearly exhibited by the effect produced by the Order in Council issued in October 1847, upon the eve of an universal commercial failure in the metropolis; upon which order being issued, authorising an unlimited issue of notes by the Bank of England, the demand for accommodation by the public immediately ceased.

Similar events are likely hereafter to recur under the absolute limitation of issue by the Bank of England, until the commercial credit of the country be brought to the brink of destruction; and when an extension, permitted under an Order in Council, is inoperative in restoring the commercial prosperity which had been previously unnecessarily sacrificed.

That similar consequences were not unlikely to have occurred during the present year, if the foreign expenditure in the eastern part of Europe, for the maintenance and support of the armies, had continued upon the scale of the two preceding years, the trade with that part of the world only admitting of a gradual return of the specie exported for the supply of the Commissariat.

That while the trade of this country (as at present) is in the most satisfactory state, a foreign discredit may press upon the specie in this country, to such an extent as may render it doubtful whether, upon the principle of a limitation of issue by the Bank of England, under the Act of 1844, the Bank may not be forced to take violent measures to stop the foreign demand, with upwards of 10 millions of gold in the Issue Department, whilst a discretionary power at an advanced rate of interest might, and would, in all probability, avert any evil consequences that might otherwise arise.

2d *Q.* Would you recommend its renewal as it stands for another term?

A. No.

3d *Q.* If not, what amendments to you seem advisable?

A. I would throw the responsibility upon the Bank of England, which could always insure the convertibility of the bank-note, if not interfered with by the Government, except in periods of continued internal panic, upon all paper and credit issues. A weekly publication might be made, in the same form of accounts that existed prior to the Act of 1844.

Remarks.—I would beg of you to extend your observations to the Irish and Scotch Acts of 1845.

I never could see any valid reason for placing the circulating medium of Scotland and Ireland upon a principle different from that of England. If any change be contemplated, I would propose making the note of the Bank of Ireland a legal tender in Ireland, only for the notes issued by all other Irish banks, and give the same force to the Bank of England notes in Scotland.

William Cotton, Esq.

4 October 1856.

W. Cotton, Esq.

IF the Government determine that it is expedient to have a Committee of the House of Commons on the Bank Acts of 1844 and 1845, it is not for the Bank of England to offer any objection.

It is, however, worthy of consideration, if in the present transition state of the circulating medium on the continent, by the substitution of gold for silver, the large remittances of silver to China and India, and the probability of some monetary disturbance abroad, it is desirable to have a Parliamentary Committee on the circulation of England, encouraging thereby discussions on the various schemes for regulating the circulating medium, thus undesirably disturbing the public mind, unless the Government are satisfied that they have some well-considered plan for the substantial improvement of the Acts of 1844 and 1845.

Under

Under the Acts of 1844-45, the credit of the circulation has been most satisfactorily maintained, and was never questioned even in the great commercial crisis of 1847, before the sound principle of raising the rate of interest, instead of forcibly restricting the amount of discounts or advances, was fully understood or acted on.

If the issue of notes by existing banks had not been limited, and the establishment of new banks of issue had not been prevented, the country would have been inundated with a paper circulation, gold would have been displaced, and the convertibility of the bank note into specie, particularly in a state of war, could not have been maintained.

By the Acts of 1844-45, the great object Sir Robert Peel had in view, of making the circulation vary in amount as a metallic circulation would have done, was as fully accomplished as if there had been only one bank of issue, regulating its proceedings on sound principles, or if notes had been issued on metallic security alone, as was formerly the case at the banks of Genoa, Amsterdam, and now at Hamburgh. Economy and the payment of the expense of a paper circulation are really the only objects for the issue of notes on securities.

Sir Robert Peel was desirous of inducing other banks of issue to adopt the Bank of England circulation, and the restriction of the issue of bank notes to one establishment was fully considered, but the limitation of issues of notes, except on gold, &c., and a portion of silver by the Bank of England, was considered as accomplishing the object in view. It was suggested to Sir Robert Peel to restrict the issue of notes by the private and joint stock banks to a period of ten years, but he did not consider this expedient.

The issue of Government bank notes, by a Commission, was decidedly objected to by Sir Robert Peel, as subjecting the circulation to political influences, or at least create an apprehension that it would do so, and the Government would be involved in difficulties, in the event of forgeries, as in the case of the forged Exchequer bills, or on any run for gold in consequence of internal commotions.

The Government, without any trouble, or incurring any responsibility, have secured to the public a large share of the profit from the Bank circulation, viz., a loan of 11,000,000 *l.*, at a low rate of interest, which may also be considered as an additional security to the holders of Bank of England notes; a payment of 120,000 *l.* and a duty of 60,000 *l.* per annum, and the profit from any additional securities that may be held by the Bank, in consequence of the cessation of issues by private or joint stock banks.

The Government (*i. e.* the public) hold no security against the issues of other banks, and have no advantage from their issues except the stamp.

Believing that any alteration of the laws regulating the currency is of itself an evil, and should not be encountered except for the accomplishment of some really important object, I am clearly of opinion that the Acts of 1844-45 should not be disturbed.

If the question must be opened, it might be desirable to give the operation of the Act a fixed term, whatever its provisions may be, that time may be given to prove their advantages or disadvantages; but it may be questioned if the public would be as well satisfied with this new Act as under the present Bank Act, which can at any time be revised on giving twelve months' notice.

It would be desirable that so many of the Directors should not go out by rotation, as it makes too great a change in the members of the Court at every election.

At present the Bank of England, as a bank of issue, has no exclusive privileges of any advantage. No new bank of issue can now be established; and even when a bank, not having more than six partners, could have issued notes in London, one only, that of Messrs. Hoares, availed itself of the privilege, and that only for a short time.

The position of the Governors of the Bank and of the Directors is an honorary and not a lucrative one, and they hold only the required amount of Bank stock for a qualification. In my judgment, if this prestige is any way destroyed by fettering their independence, or remunerating them by salaries in proportion to their services, the character of the direction would be seriously changed, and a very different class of persons would seek for admission into the direction.

The Bank of England note was made a legal tender, not for any advantage to the Bank, but for the security of the private or joint stock banks, as they could more readily obtain notes than gold in the event of any run upon them.

Scotch and Irish Banks.—The continued circulation of notes under 5 *l.* in Scotland and Ireland, and some other circumstances, induced Sir Robert Peel to place the banks there in a different position, with respect to their circulation, than the private and joint stock banks in England: giving them power, similar to that given to the Bank of England, to issue notes on gold, and a proportion of silver, equal to the average amount of gold and a proportion of silver held at the close of business on Saturday for four weeks.

The power to issue notes, otherwise than as above, on gold or silver, was to be the amount of the average amount of notes for four weeks immediately after the 31st December 1845.

This deviation from the law regulating the issue of notes in England was far from desirable, but Sir Robert Peel was induced, under the particular circumstances of the case, to allow it.

The continuance of notes under the value of 5 *l.*, in parts of the United Kingdom, is certainly very inconvenient.

It prevents any considerable amount of gold continuing in circulation in Scotland and Ireland, and in the event of any discredit of the paper money, or any apprehension of it, a heavy demand is made on England for a supply of gold.

Appendix, No. 1.

W. Cotton, Esq.

The system of banking in Scotland, which has lately been introduced into London; viz., to allow interest on deposits at call, or on short notices—has given, and will give, rise to serious inconvenience, as the depositors, in the event of a monetary crisis, will demand payment, when they would not sell their own securities.

The Scotch and Irish banks pay nothing to the Government for the privilege of issuing notes, besides the stamp duty, which being for an actual stamp, the Scotch bank-notes are continued in circulation as long as they will hold together, and are in a very filthy state; and, I presume, it is the same with the Irish notes.

Although the banks of Scotland derive little profit from their note circulation in comparison with that from their deposits, any attempt to restrict the circulation of notes to 5 *l.* and upwards, would be stoutly resisted; and the only hope of seeing a gold circulation in Scotland and Ireland, must arise from the present limitation being continued, and these countries becoming more opulent and requiring a larger circulation for their transactions, the limit would be exhausted by the issue of notes of 5 *l.* and upwards, and they would find it convenient to issue gold.

John Oliver Hanson, Esq.

My dear Governor, 4 October 1856.

J. O. Hanson, Esq.

I HAVE filled up in the simplest form possible my answer to the queries you have put to me (and which I now return to you), believing that a simple yea or nay will be more useful to you in collecting the opinions of the Court, than if I attempted to give you a more lengthened reply to them. I may, however, add that I consider the Act of 1844 has worked admirably, and been productive of vast benefit to the public, in placing the credit circulation of the country, as regards banks of issue, upon a firm and solid basis.

I should be very sorry, therefore, to see the Act of 1844 disturbed and broken in upon, and, consequently, should strongly advocate its renewal for another term as it now stands, rather than run the risk of seeing its efficacy destroyed by opening the door to admit of alterations, which might be very questionable.

The Irish and Scotch Banking Acts of 1845 I consider to have worked equally well with the Act of 1844, and I should be very sorry to see them disturbed.

Believe me, &c.

T. M. Weguelin, Esq. (signed) *J. O. Hanson.*

Answer to 1st Question.—None.
Answer to 2d Question.—Yes.
Answer to 3d Question.—None.

Note.—I have no remarks to make, or suggestions to offer, believing these Acts to have worked well.

George Lyall, Esq.

My dear Weguelin, 3 October 1856.

G. Lyall, Esq.

ON the other side I have as shortly as possible replied to the questions you have sent me, as, I presume, the opinions of the Directors, rather than the reasons for those opinions, are all that the Chancellor of the Exchequer requires.

Believe me, &c.

T. M. Weguelin, Esq. (signed) *G. Lyall.*

Answer to 1st Question.—I consider that the operation of the Bill of 1844 has been conducive to the interests of the public, by acting as a check upon excessive issues on the part of the country banks, and inducing the Bank of England to take prompt measures for keeping an ample amount of bullion in their coffers, and maintaining such a sound banking position as to give great confidence to the mercantile community.

Answer to 2d Question.—Yes.

Answer to 3d Question.—I am not prepared at present to suggest any amendments, but if any, they would refer rather to the private interests of the Bank, which were not very leniently dealt with in 1844; and about which, I presume the Chancellor of the Exchequer does not at present require the opinions of the Directors, as they are rather matters of detail than of principle.

Note.—It appears to me that the Act of 1845 has been equally advantageous to the public and to the commercial community in Scotland and Ireland, by restraining excessive banking issues as the Act of 1844 did in this country.

James Morris, Esq.

EXTRACT of Letter to *T. M. Weguelin*, Esq.

3 October 1856.

J. Morris, Esq.

IN general terms I am satisfied with the Bill of 1844; and I should recommend its renewal for a term of years.

Thomas

Appendix, No. 1.

Thomas Charles Smith, Esq.

My dear Mr. Governor, 7 October 1856.

T. C. Smith, Esq.

I HAVE to acknowledge the receipt of your letter of the 30th September, requesting my written opinion on certain questions relating to the Banking Acts of 1844 and 1845.

I have now the pleasure of submitting to you my replies to the queries contained in your note.

I am, &c.

T. M. Weguelin, Esq. (signed) *T. C. Smith.*

Answer to 1st Question.—I am of opinion that the Act of 1844 has been highly beneficial in its operation, by maintaining the convertibility of the bank note, and in preventing any discredit of the paper circulation of the country.

Answer to 2d Question.—I do not consider that it would be expedient to make any alteration in the Act of 1844; and I would recommend its renewal as it at present stands, for another term.

Answer to 3d Question.—None.

Note.—Without any experience of the practical working of the Irish and Scotch Banking Acts of 1845, I do not feel competent to hazard an opinion upon the operation of those Acts. I am, however, of opinion that the provisions of the Acts of 1845 are based upon sound principles.

Charles Frederick Huth, Esq.

My dear Mr. Governor, 8 October 1856.

C. F. Huth, Esq.

I FULLY approved of the Banking Act of 1844 at the time when it was framed, and believe that, upon the whole, it has justified the anticipations of its originator; but I am not prepared to say that after the great extension of the business of the country, consequent upon the adoption of the free trade policy, some of the limitations of the Act may not be beneficially enlarged.

I have not been able to bestow sufficient personal attention on the various grave questions connected with this subject, to offer any specific suggestions as to the modifications which may be desirable; but I am decidedly of opinion that at a time of great financial pressure, the safety of our position should not be left to depend on the particular views of the Government of the day, which might assume or decline the responsibility of interfering with the provisions of an Act repeatedly and deliberately sanctioned by Parliament, after twelve years' experience.

My opportunities of judging of the Irish and Scotch Acts of 1844 have been very limited, and would not justify my expressing an opinion in regard to them.

I remain, &c.

T. M. Weguelin, Esq. (signed) *C. F. Huth.*

Thomas Newman Hunt, Esq.

My dear Governor, 27 October 1856.

T. N. Hunt, Esq.

IN compliance with the desire expressed in your letter of the 30th September, that the Directors of the Bank should communicate to you their opinions with regard to the Banking Acts of 1844 and 1845, I beg leave to state in reply, that, as a general principle, I should advocate the gradual discontinuance of the use of all bank notes issued without the deposit of an equal amount of gold or silver.

This may be effected, first, by prohibiting the replacement of any notes issued by banks, which may, by insolvency or otherwise, have discontinued their issue. Secondly, by giving a more active operation to the principle of the 24th section of the Act of 1844; and thirdly, by suppressing periodically, a portion of all other notes which are now issued without a corresponding deposit of bullion.

I would also recommend the discontinuance of the use of all bank notes for sums under 5 *l.*

And, as bank notes are necessary for economy in the use of money, and for the convenience of the public, banks of issue should be established in each of the kingdoms of England, Scotland, and Ireland, where notes should be issued upon the deposit of bullion, and these notes should be payable in coin on demand at the bank where they were issued.

By this course, we should return in a few years to the soundest system of money, and thus obtain the greatest possible security for the stability of the value of property; for which reason, in contemplating alterations in the present Acts, I should consider any closer approximation to these principles an improvement.

But the elements of this system already exist in the Acts of 1844 and 1845 in so great a degree, that the convertibility of bank notes into coin on demand (with the exception of those which are issued without the deposit of any security at all), is almost as certainly secured as if they were issued only upon the deposit of bullion.

Appendix, No. 1.

T. N. Hunt, Esq.

I have, therefore, no hesitation in recommending a renewal of the Banking Acts of 1844 and 1845 for another term as they stand, unless some further advances, of the character suggested, towards a currency based upon the precious metals only can be introduced.

I remain, &c.

T. M. Weguelin, Esq. (signed) *Thos. N. Hunt.*

Thomas Masterman, Esq.

My dear Weguelin, 20 October 1856.

T. Masterman, Esq.

In reply to your first query respecting the operation of the Bank Charter Act of 1844, I think that the working of the Bill is quite satisfactory, except in times of domestic panic, such as occurred in 1847, at a period when the foreign exchanges were not against this country; and I think that the public were then so convinced of the relief afforded by the authority given to the Bank to increase its issues upon securities, that they will, as a matter of course, look for a similar measure on any future emergency of a like nature; and I would greatly prefer that there should be a legal way of disposing of the subject, rather than throw so grave a responsibility on any individual minister. For that purpose, I think, a tribunal might be constituted, consisting of the First Lord of the Treasury, the Chancellor of the Exchequer, the President of the Board of Trade, and the two Chairs of the Bank.

As a matter more of detail, but which I think by no means unimportant, because it is likely to ensure a more regular system of administration, I would recommend that the outgoing Directors at every annual election be eligible for re-election. I have never heard of any supposed advantage in the present system, which compels the yearly change of one-third of the whole Court.

I have no intimate knowledge of the working of the Scotch Bill; but as regards Ireland—when the issues of the different banks expand, as they do periodically—I think it might be optional with them to represent their extra issues either by sending gold to Ireland, as at present, or by placing it to some separate account at the Bank of England.

Under the present law I have frequently known boxes of gold sent over to Ireland (to Dublin chiefly) at considerable risk and expense, which, after having laid there weeks or months, have been brought back to London with the seals unbroken, so soon as the extra issues had receded within the authorised limits.

Yours, &c.

T. M. Weguelin, Esq. (signed) *Thos. Masterman.*

James Pattison Currie, Esq.

My dear Mr. Governor, 6 October 1856.

J. P. Currie, Esq.

I have to acknowledge the receipt of your letter of the 30th ultimo, inclosing some questions relative to the Banking Acts of 1844 and 1845, upon which you wish to have my written opinion. I consider that the Act of 1844 has completely carried out the object for which it was framed; and I should strongly advocate its renewal for a term of years as it now stands. I have carefully perused the Acts of 1845, relating to Scotland and Ireland. They appear to me to be based on sound principles, but as I have not had an opportunity of personally testing the working of them, I cannot venture to offer any suggestions respecting them.

Believe me, &c.

T. M. Weguelin, Esq. (signed) *James P. Currie.*

Henry Hucks Gibbs, Esq.

My dear Sir, 13 October 1856.

H. H. Gibbs, Esq.

In answer to your letter of the 30th September, containing certain questions relative to the Bank Acts of 1844 and 1845, I beg to say that I should regret to see any attempt made to alter the Act of 1844 with reference to the Bank of England; the limitations fixed by that measure having, in my opinion, worked exceedingly well during times of great difficulty; and I should, therefore, decidedly recommend its renewal as it stands for another term.

With regard to the Acts of 1845, relating to Ireland and Scotland, I have not had much practical experience of their working in those countries, but I understand that it has been very successful; and as being framed on the principle of the Bill of 1844, I consider them well calculated to promote a sound systemof banking.

I am, &c.

T. M. Weguelin, Esq. (signed) *Henry H. Gibbs.*

John

John Gellibrand Hubbard, Esq.

October 1856.

J. G. Hubbard, Esq.

The essential feature of the Bank Charter Act of 1844, and of the Irish and Scotch Acts of 1845, is found in the provisions which limited the amount of notes issued on credit, and stipulated that all further issues should represent bullion.

The principle thus established of subjecting the variations of the entire currency, whether coin or paper, to the same laws by which it would be governed, were it altogether metallic, cannot be too highly or too unequivocally approved; and although the clauses introduced for promoting the adoption by private issuers of the notes of the Banks of England and Ireland, did not operate to the extent which might have been expected, still the motive and the means are indicated for rendering the entire credit-issues of the country, not professedly only, but indubitably, and at all times, the exact equivalent of the coin they represent.

In considering the bearing of the Bank Charter Act of 1844 upon the interests of the Bank of England, it must be remembered that the Bank fulfils three characters, quite distinct from each other:—

1. As Manager of the Public Debt, of which it registers and transfers the titles and pays the dividends.
2. As a bank of deposit and discount.
3. As the Administrator of the larger portion of the credit currency, mechanically also, the channel through which the operations of commerce regulate the issues upon bullion.

In this last capacity only is the Bank affected by the Act of 1844. The Act prescribes the terms on which the Bank is to buy bullion, cedes to the Bank, together with all the labour and the risk, such part of the gain on the Issue Department as may remain after certain deductions by the State (which constitute the larger portion of the net profit); and with regard to any increase of credit-issues beyond fourteen millions, the Act reclaims the profit of them for the public, subject only to the deduction of the expense of administration.

The advantage derived by the Bank from its agency in the Issue Department being thus limited and defined, it can have no pecuniary motive in the extension of the credit-issue under its own administration; and any opinion offered by its Directors upon this subject can be grounded on no other considerations than regard for the public interest.

The questions of most general interest in connexion with the Act of 1844, are those touching the amount of paper-money issued on security; they may be thus stated:

1st. Was the amount of fourteen millions rightly fixed?
2d. What variation in that amount is suggested by subsequent events?
3d. Under what circumstances can any further variation be contemplated?

1st. The considerations which determine the amount of a credit-issue are, on the one hand, "a desire to effect all possible economy of the precious metals;" and, on the other, "the duty of restricting the paper-money which supersedes them within perfectly safe limits," so that, under no ordinary fluctuations of prices or of political or commercial discredit, could any portion of it be returned to the issuer for payment. If the ten years' Bank records immediately preceding 1844 are examined with this rule in mind, it will be found that, on the 12th December 1840, the notes with the public were 14,451,000 *l.*; and that on the 28th December 1841, they were 14,742,000 *l.* Looking, therefore, at the Bank of England as the issuing body, it would have been unjustifiable to have carried the credit-issue in the Act of 1844 even to 15,000,000 *l.* with any pretension to public confidence.

Again, there was no reason for fixing the credit-issue at less than 14,000,000 *l.*, since there was no instance of the external circulation being so low within half a million. The amount of fourteen millions was, therefore, rightly fixed.*

2d. The only enlargement of the credit-issue of the Bank of England, contemplated by the Act of 1844, was one depending on the surrender of private issues; and in such event, the Bank was to be licensed to issue two-thirds the amount so surrendered. Effectively in December 1855, 475,000 *l.* was issued on securities by the Bank, in consideration of country issues having lapsed to the extent of 712,500 *l.*

But why should two-thirds only of such lapsed country issues have been replaced? The reason which has been alleged is this: "the country banks held, or ought to have held, gold against one-third of their issues; two-thirds only of such issues were, therefore, based on securities, and the substituted bank-paper must not exceed that proportion." This reason would be quite satisfactory if the country circulation, sanctioned by the Act, represented the entire circulation required for the conduct of the business of such issuing banks; but this, I apprehend, was not the case.

The business of country banks consisted not only in providing a district currency by issuing their own notes to such an extent as might be necessary upon loan or purchase; but also in receiving deposits to be partially invested, partially held in reserve.

The deposits held by the country banks were not less (upon the evidence of the Reports of 1832 and 1841) than from sixteen to twenty millions; if one-fifth only of these deposits were held in reserve, we should have found 3,500,000 *l.* lying in the tills of the country banks,

* *Vide* this treated more at large in "The Currency and the Country," chap. iv., and in "Letter to Sir C. Wood on the Monetary Pressure of 1847."

Appendix, No. 1.

J. G. Hubbard, Esq.

banks, and constituting with the 8,500,000 *l.* extant in the spring of 1844, an entire country currency of 12,000,000 *l.*

It is against this total, or rather it is as a portion of this total, that gold ought to have been held by the country banks. If they had held 3,000,000 *l.* (or 2,833,000 *l.*, the one-third of 8,500,000 *l.*, as supposed by the agreement in defence of the fifth section of Sir Robert Peel's Act) it would not have been too much; but the truth is that, assuming the bank of Mr. Stuckey,* one of the highest of its class, to be only a fair representative of the whole number, the entire reserve of the country issuers did not average two millions; of which 1,000,000 *l.* might be gold, 500,000 *l.* silver, and 500,000 *l.* Bank of England notes.

I infer then that the currency actually engaged in the business of the country issuers was 12,000,000 *l.*, that of this they held in bank notes and gold 1,500,000 *l.*, leaving at 10,500,000 *l.* the amount of additional bank notes which would have been required to replace the country issues had the substitution taken place in 1844.

Admitting, however, the possibility of the country banks keeping in reserve as against these sixteen or twenty millions of deposits, not 3,500,000 *l.*, but 2,000,000 *l.*; and those 2,000,000 *l.* composed, as before stated, of one million gold, half a million silver, and half a million Bank of England notes; and it follows that, as against the current issues of 8,500,000 *l.* they held no reserve in gold, and that to substitute for those issues the notes of the Bank of England, in the proportion of two-thirds only, is unnecessarily to contract the credit paper of the country.

3rd. Supposing it to be the wish of the Government to carry out, so far as regards England and Wales, the arrangement sanctioned by the 23rd and 24th sections of Sir Robert Peel's Act, I can have no doubt that an issue on securities by the Bank of England to the extent of 22,500,000 *l.* would leave the demand for further notes to be issued on bullion quite as large as that which has prevailed since 1844.

The arrangement, as regards the country issuers, would be of the simplest character. Their beneficial interest in the circulation, provisionally permitted, would be (by the precedent sanctioned in the Act) assessed at 1 per cent. per annum; and the annuities which would result might be redeemed by the Government at such a price as would satisfy the justice of the case.

Any apprehension that the termination of their issuing power would induce the country bankers to cease banking altogether, would be unfounded. As I have already mentioned, the deposits of the country banks are double the amount of their issues; there is business to be done independent of their circulation, and if capital can be profitably engaged in any portion of the United Kingdom, there capital will find its way.

The establishment by the non-issuing London and County Bank of its sixty-three branches, many of them in towns of scanty trade and population, is an evidence of readiness to meet any demand however slight for the accommodation of a bank.

The 3d section of the Act of 1844, limiting the proportion of silver to the whole amount of bullion on which notes may be issued by the Bank to one-third, was seriously complained of at the time, and the entire removal of this limitation was a main feature in a petition presented to the House of Commons, on the 13th July 1847, from certain "merchants, bankers, and traders of London."

Subsequent events have rendered the limitation inoperative, but those events might have been reversed; an increased production of silver and its depreciation comparatively to gold might, had "the Bank been permitted to issue notes on silver bullion without restriction," have left it unable to redeem its engagements in gold while its vaults were full of dollars.

In the event of the entire currency of England being united under a single issuer, it might be desirable to make a provision for correcting, without further legislation, any disproportion between the bullion and the note circulation which might be occasioned, on the one hand, by a lower range of prices, or the extended use of banking facilities on the other, by an elevation of the range of prices arising from an increased abundance of the precious metals. I assume the satisfactory proportion to be one-third bullion to two-thirds credit; *i. e.*, if the entire circulation were 33,750,000 *l.*, 22,500,000 *l.* might be on securities, and 11,250,000 *l.* on gold.

To conclude:

1st. I entirely approve the principle of the Bank Charter Act of 1844, which, by limiting the issue of notes on credit, subjects the variations of the combined currency of notes and coins to the same laws by which it would be governed were it wholly metallic.

2d. As limitation of credit paper is the very essence of the Act, and as limitation operates sensibly only under circumstances of pressure, it is obvious that to evade its stringency because a pressure is felt, is simply to stultify the Act; while again, to admit a provision for extending the credit issue in the event of difficulties arising from any possible or prospective contingency, would be to encourage overtrading, and foster in the banking community an unwarrantable dependence upon the Bank of England, while they make immoderate engagements, and neglect to maintain an adequate reserve for their own protection.

3d. It

* *Vide* "Report on Bank Charter," p. 451.

3d. It is undesirable, seeing that its notes are payable in gold, that the Bank should have the power of issuing more than one-fourth of such notes on silver.

4th. Twenty-two millions and a half being the amount of credit paper authorised by the Act of 1844 for the collective issues of the Bank of England, and the private and joint stock banks of England and Wales, I am of opinion that unless the Bank of England issues on securities to an equal amount in substitution of lapsed or commuted country issues, the aggregate credit issue will be needlessly curtailed. And I am also of opinion that it would be for the public advantage that the country banks of England and Wales should work exclusively with the notes of the Bank of England.

5th. Subject to the amendments which the preceding clause suggests, I am of opinion that the Bank Charter Act of 1844 should be renewed for a period of 10 years.

With regard to the Irish and Scotch banks, they stand, in virtue of the Acts of 1845, on the same grounds as the private and joint stock banks of England, and exercise, on sufferance, the right of issue to a defined amount; the additional currency required being, in the Irish and Scotch banks, provided in their notes representing bullion, and, in the English banks, in Bank of England notes, for which they must have given value.

The principle of Peel's Bill is carried out in either case; all currency beyond their authorised issue must be provided out of capital.

The average of the Ten Years 1846-55, gives the following return:

	Circulation.		Bullion.
	£.		£.
Irish Banks - - - - - - - -	5,460	- -	1,691
Scotch Banks - - - - - - - -	3,559	- -	1,177
	£. 9,019	- -	2,868

The deposits held by these banks, particularly by the Scotch banks, are very considerable, and when it is observed that the gold and silver constituting their entire cash reserve to answer their liabilities on both circulation and deposits, is a trifle short of one-third of their circulation alone, they cannot be considered as being aggrieved by the law which has compelled them to keep the cash reserve their return exhibits.

The Irish and Scotch banks are supposed to complain of the inconvenience and costliness of conveying gold to and fro, as the fluctuations of their circulation demand a greater or less amount of bullion deposit. The inconvenience complained of, may, however, be easily remedied, if the Irish and Scotch banks adopt the same course as the English, and use, when their own notes are exhausted, the notes of the Bank of England; a process which might be further facilitated by these last being made legal tender throughout the United Kingdom.

(signed) *J. G. Hubbard.*

George Warde Norman, Esq.

My dear Governor, 22 October 1856.

Before I proceed to answer specifically the several questions you have submitted to me relative to the Bank Acts of 1844 and 1845, I think it necessary to say a few words on the general question of a paper currency.

Taking a simply theoretic view of this subject, I retain the opinion which I have formerly expressed, that the best conceivable issue, irrespective of profit, would be one which should proceed from the Government, or a body acting under its delegation, where every note should represent a corresponding amount of gold and silver. All that would be required under this system would be, that gold or silver should be exchanged for paper, or paper for gold or silver, as the wants of the public might require.

Suppose that the Bank of Hamburgh were to issue notes, instead of opening credits in its books, for all the specie deposited with it, and you have exactly the system above described.

But this state of things would involve an unnecessary sacrifice of profit. Quite sufficient security for the paper issue would be obtained, if a portion of it, considerably less than the probable minimum of issue under adverse circumstances, were vested in some interest-bearing securities of an undoubted character, and only the balance in gold or silver. Convertibility would still, practically speaking, be assured, and the oscillations in the circulation would be precisely the same as in the case first supposed. In other words, they would exactly represent the movement of a purely metallic currency, and these, in my view, are the objects to be attained.

Of course a political discredit, in which no notes would pass, is conceivable, however improbable it might be. But this is a risk to which I do not think it necessary to advert.

The danger that, in periods of great pressure, the Government or Legislature might be induced to lay hands on any very large metallic reserve, is a more probable danger; but this also I pass over on the present occasion.

Appendix, No. 1.

G. W. Norman, Esq.

At any rate, it is certain that neither of the above schemes are likely to be now adopted in England, and we must therefore deal with things as we find them, and descend from the dominion of pure science to a practical view of existing circumstances.

The question, then, is greatly narrowed, and becomes, shortly stated, this:—Is it desirable to re-enact the Bank Acts of 1844-45 simply, or with modifications; or, abandoning them, shall we revert to the state of things which existed between 1819 and the last renewal of the Charter?

I should regard with the greatest alarm any change in these Acts likely to interfere with their stringent character. Experience previously had shown that a simple obligation on the part of the Bank of England and of other issuing banks—the first to pay its notes in gold, the latter theirs in either gold or Bank of England notes—had been insufficient to place the currency in a satisfactory condition. We had suffered from the evils of direct insolvency, and from an improper use of the issuing power in aid of simple banking operations; while, on more than one occasion, even the retention of specie payments had been highly problematical.

Since 1845, the state of things has exhibited an immense improvement. The Bank of England, owing to the separation of departments, has always been amply provided with the means of discharging its obligations to the holders of its paper, even in the most pinching times. The country issuers have been deprived both of the will and the power to put forth their notes at periods when the state of the exchange demands a restricted issue, and insolvency among them has been unfrequent.

In short, from the very first introduction of paper money into England, I am not aware of any period of equal duration when the general mechanism of the circulation has worked so smoothly and satisfactorily as during the last 11 years.

If I am told that the events of 1847 exhibit a state of things opposed to this opinion, I reply that the evils then experienced were derived from several causes, viz.:—

First, from an enormous absorption of capital for the construction of railroads, &c.

Secondly, from the collapse after a long period of inflated credit and extravagant speculation.

Thirdly, from the prevalence of insolvency to an extent which had not occurred since 1825, if then.

I further affirm that these evils had nothing to do with the paper currency, and might have existed with a currency purely metallic, and that without Sir Robert Peel's laws we should have had all the misfortunes which befell us, as it was, in an aggravated form, inasmuch as the abuse of credit and speculation would have been allowed to proceed somewhat longer unchecked, and either the reality or the apprehension of a suspension of specie payments would have been added to them.

I should not, however, be disposed to deny that the events of 1847 would have presented themselves in a shape somewhat less formidable, had the management of the Banking department of the Bank of England been marked by an earlier and more consistent conformity with sound principle.

The truth is, that it is not the limit imposed by the Acts of 1844 and 1845, of which its opponents really complain, but of any limit; that of the Act of 1819 is equally opposed to the demand they make on the administrators of the currency.

They require in fact, although not in words, that at all times and under all circumstances, the holder of good banking securities should be able to turn these securities into money at a rate of interest which he may deem not unreasonably high. Now this is an advantage which a little reflection will show to be unattainable. It is something like a search for the philosopher's stone, or for Fortunatus' wishing-cap.

The truthful inquirer into the effect of our existing legislation in currency matters, should be specially referred to its operation from the commencement of the Russian war to the present time. During this period it has been tried most severely, and yet few will be found to deny that the currency and its administration have been in a most satisfactory condition.

Some, indeed, may say, that without a separation of departments, with full liberty on the part of the Bank Court to use its notes instead of its own capital, and the deposits of its customers in loans and advances, this liberty might not have been abused; that the country issuers would have acted with similar moderation; if so, the result would have been very much what we have seen, and in that case the Acts of 1844 and 1845 have done no harm.

But the supposition that this would have been the case seems to me quite unreasonable. The pressure on the Bank Court would have infallibly led to an abuse of its unlimited power of issuing notes. The temptation of augmenting their profits would have acted in a similar direction on the part of the country issuers. The efflux of gold would not have been checked in time, and we should have finally been driven into a state of things which would have imperilled specie payments altogether.

Some critics on our existing currency laws are in the habit of saying that, on the whole, they admire them greatly, but think they require some relaxing or dispensing power destined to meet extreme cases. I should deplore the existence of such relaxing or dispensing power, being convinced that the exception would speedily become the rule, that the whole efficacy of the law would finally be frittered away, and that a regulating influence, based on the state of the exchanges and on the natural demand for, and supply of capital, is the only safe guide. At any rate this self-acting machinery is far superior to the simple judgment and discretion of any man, or set of men. It would be requisite that the managers

of

of the circulation under an artificial, as opposed to our present natural, system, should not only be intimately acquainted with an enormous mass of facts in this and other countries as they actually exist, but that they should be able to foresee accurately all the changes that will occur during an indefinite future.

I do not, of course, consider our existing system as perfect. The first part of this letter will show how far I regard it as falling short of theoretic perfection; but smaller changes might be suggested in the Acts of 1844 and 1845, which I should consider decided improvements.

Sir Robert Peel looked to the final extinction of all private issues as an object highly desirable in itself. I agree with him, and should like, at any rate, to see some regulation which would hasten the attainment of this object. I must, nevertheless, allow that the effect of the Act of 1845 has removed or mitigated the evils which, heretofore, attached to this branch of our paper currency. There seems, however, to be no sufficient reason why the privilege of issuing 1 *l.* and 2 *l.* notes should be continued to the Scotch and Irish banks. Their complete abolition would, at any rate, absorb a corresponding quantity of gold, and so far retard the progress of depreciation.

These banks are allowed to issue any amount of notes, provided only they possess a corresponding amount of gold; while the English banks are confined to a fixed maximum circulation. Attempts will probably be made by the latter to obtain the same privilege as their brethren in the sister countries. I should prefer that the law should be rendered similar by making the fixed maximum general.

I must add, however, that the permission to issue on gold to any extent, does not appear to me opposed to sound principle, excepting as it may appear calculated to uphold the system of private issues.

The separation of the issue and banking departments of the Bank of England, which is now in reality complete, but which many, even well-informed persons like Mr. Tooke, regard as one simply of account and as unfounded in any natural distinction, would be rendered more patent and tangible if, in practice, the business were carried on in different places, and under names more widely separate in signification. On the whole, however, I do not consider this change desirable.

There are some curious anomalies in the important matter of the legal tender, which seem to require an alteration. Thus, in England, gold or Bank of England notes will discharge a debt. In Scotland and Ireland, only gold. It would be desirable that one uniform system should exist throughout the United Kingdom.

An improvement in the composition of the Court of Directors has been suggested, which, by increasing the salaries of the Governor and Deputy, might render it more easy to fill the chair, or to retain the services of a particular Governor, under certain circumstances, for a longer period than two years. This is a change, however, for which no legislation is requisite. It is, if desirable, quite within the power of the proprietors and directors.

Even at present, failures among issuing banks are of occasional, although not of frequent occurrence, and I can see no good grounds why this inconvenience should not be altogether obviated, by taking security from all issuers, as is done in some States of the American Union.

If I mistake not, the whole fabric of our paper currency might be broken up under the existing law by a resolution, carried by a bare majority, of the House of Commons. I am decidedly of opinion that in any renewal of the Bank Acts, the danger of any precipitate and ill-advised action on the part of the Legislature should be more carefully guarded against.

I have now reviewed our currency laws under two points of view:—

1st. With respect to the principles which should guide the legislator, supposing him to have a *tabula rasa* upon which to operate.

2d. Supposing him to be so far fettered as to be unable to effect any changes of a more radical character than would arise from improvements in the present law, but within that sphere to have his hands tolerably free.

I shall conclude by a few reflections on the course he ought to adopt under actual circumstances, when he will have to steer his course amongst the rocks and shoals of powerful and opposing interests, with many prejudices to overcome, and with little expectation that the public is sufficiently well-informed to support him in the tempest that may obstruct his course; in short, when even the introduction of improvements might be very difficult.

It must be recollected that the English people have no strong taste for systematic arrangement or theoretic perfection, no objection to anomalies or even contradictions in an institution which, on the whole, works well.

Now what do we chiefly require in a paper currency?

First, that it shall be secure and convertible, and little liable to discredit.

Secondly, that it shall oscillate like a metallic currency.

Now it seems to me that these important objects are very sufficiently attained by the laws of 1844 and 1845, and I see no chance of improving them, for which it would be worth while to run the risk of involving them in all the turmoil of a parliamentary war.

Appendix, No. 1.

G. W. Norman, Esq.

I conclude with a reply to the queries sent me, which, after what has preceded, you may readily anticipate:—

1st. I have no practical suggestions to make with reference to the operation of the Acts of 1844 and 1845.

2d. I would certainly recommend their renewal for another term, and that without any material alteration.

The above are my views in the interest of the public and of the Bank, under the actual condition of affairs. What precedes will show that I do not consider the existing laws perfect, and also the main improvements of which I think them susceptible.

Believe me, &c.

T. M. Weguelin, Esq., (signed) *Geo. Wde. Norman.*
Governor of the Bank of England.

Alfred Latham, Esq.

My dear Mr. Governor, 28 October 1856.

A. Latham, Esq.

My impression of the Act of 1844 is, that it was as good as could be passed at the time; that it has been serviceable to the commerce of the country; and that its renewal as it stands, or continuation rather, for another term might be ventured on safely enough.

Yet if the whole subject of the currency in England, Scotland and Ireland, is to be re-opened and discussed, there is no difficulty in pointing out imperfections in the Acts, both of 1844 and 1845; nor is it difficult to suggest the remedies, however difficult it may be to apply them.

If, as I believe, public opinion has advanced on the subject, it may be assumed that more can be done, and if so ought to be done, in the way of useful legislation. Few persons, for example, in England, would now recommend a return to 1*l.* notes; yet open to the same objections, they continue to circulate in Scotland and Ireland.

Several new causes, too, are now fairly in operation, such as the extension of the clearing-house, the absence of the Usury laws, communications by telegraph and railway, the penny postage, post-office orders, cheques to order, and a variety of banking expedients materially affecting the distribution and economy of bank notes.

I am aware of the prevailing opinion, that the increase of population and of trade are a reason why there should be more currency; and as if a logical consequence of that opinion, we are told in pamphlets or newspapers—indeed, we hear it occasionally among ourselves—that if the 14,000,000*l.* was a proper limit for the issue on securities in 1844, some larger sum of 16,000,000*l.* or 18,000,000*l.* would be more proper now.

But if more bank-notes are wanted (which does not necessarily follow), there is no occasion why they should be issued on securities; on the contrary, those causes, the increase of population and of trade, are a reason rather for enlarging the metallic basis.

Everybody agrees that bank-notes are a convenient substitute for metallic money; but they ought not to be regarded as if an addition to the currency. They save expense in providing the currency, but they ought not on that account to be regarded as a source of profit to the Treasury.

The writers who are opposed to the Act of 1844, assume that there can be, under any circumstances, a deficiency of currency, which I apprehend there cannot. There may be an excess of currency, as when paper, virtually irredeemable, is doing the office of gold; but there can be no corresponding deficiency of paper, because gold will always do the office of paper, or even command it in any quantity.

The remarkable instance of 1825, when the country was said to be within a few hours of a state of barter, was, strictly speaking, not a case of deficient currency, but of paper money suddenly discredited, much as if all the sovereigns current overnight were to be suspected in the morning of being copper.

Under the foregoing premises—I fear very badly expressed—it appears to me that the aim and efforts of the Legislature should be directed as follows:

1. Not to obtain profit from the paper money any more than from the coin of the country.
2. To render the one equally secure with the other.
3. To contract the paper money, rather than extend it, unless based upon gold; and,
4. In whatever degree not based upon gold, to require that Government stock shall be lodged for an equal amount.

When I question the good policy of the Government reserving any considerable profit out of the circulation, I am far from wishing that an over-remuneration should be left to the banks; what I mean is, that money, whether paper or coin, is not a desirable channel for taxation or revenue.

The three essentials are—

1. Government security for a given amount of issue.
2. The security of gold and silver in deposit for all the rest.
3. A liberal administration; that is, liberal to the public, or note-holder, although expensive to the issuer.

I would

I would prefer that the authority in the Act (Clause 5), for increasing the Bank of England issue on securities beyond the fixed limit, now 14,475,000 *l.*, should be no further availed of. Indeed, if the present position of the other issuers is maintained, I wish that limit could be reduced. Assuming it to be as it is now, I see no reason why the Bank of England should not pay to Government, or lodge stock (so as to be dispossessed of it), to the amount of 3,475,000 *l.*, in addition to the 11,000,000 *l.* already paid.

If this were done, the country issuers of England should pay or lodge stock in like manner to the amount of their issues; and, failing to do so, they should be required to discontinue issuing, and adopt the alternative provided by the Act (Clause 24), of compounding with the Bank of England.

The English public, or note-holders, would be thus protected from the calamity of insolvent issuers, by a natural-enough expedient of the Legislature, viz., requiring the issuers to apply some portion of their profit to the purpose of insuring their note-holders against accidents.

The circumstance of the Bank of England note being a legal tender, ought not to be a subject of any jealousy, being simply a public convenience without any profit or advantage to the Bank; but other issuers, giving security as proposed, might claim, fairly enough, that their notes should be receivable for taxes; and I see no reason to the contrary.

The paper money of Ireland and Scotland is a subject that raises all the questions as to 1 *l.* notes; should they be retained, or should they and can they be abolished as in England?

Not to enumerate the patent and universally-admitted objections to small notes, I would here only confute that popular and favourite delusion that a single piece of paper passing for a single piece of gold, can be of any use to anybody, unless the issuer.

The economy, in its proper sense, of bank notes, is that economy of time and risk which is obtained in conveying, by a single operation, the same sum of money as, by the alternative of coin, would demand a hundred or a thousand operations.

In Scotland, the proportion of about two-thirds, and in Ireland the proportion of about one-half, of the paper money, is in notes of under 5 *l.*

Paper money and coin of the same denomination are not likely to circulate in common. The paper, from some cause or other, turns out the gold; it always has done so, and always will. For a time, this might be a reason for abolishing the 1 *l.* notes and retaining those of 2 *l.* until a future period. The existence of peace, and the abundance of gold that is now poured into the country, seem to combine in presenting an opportunity for doing something in this direction.

To dispense with bank notes is so impossible, that if none were allowed to be issued except against a deposit of gold, they would still be used, and still be a cause of general economy, although it might cost, in some shape or other, 300,000 *l.* or 400,000 *l.* a-year to make them. Indeed, a currency of this kind, so safe and intelligible, might easily be preferred to the cheaper currency we now employ, so long as it remains open at some points to the danger of insolvency.

If these points could be strengthened in the manner I have endeavoured to suggest, we should enjoy throughout the United Kingdom a system of currency perfectly secure in all its parts, costing nothing, and working the same as regards exchanges, whether foreign or domestic, as if such currency were entirely metallic.

Believe me, &c.

T. M. Weguelin, Esq. (signed) *Alfred Latham.*

Henry Wollaston Blake, Esq.

My dear Mr. Governor, London, 5 November 1856.

I SHALL endeavour to state as shortly as possible the views I entertain upon the Banking Acts of 1844 and 1845, especially in reference to the questions contained in your letter of the 30th September.

The objects sought to be obtained by the Act of 1844 were twofold:

1. To insure at all times the convertibility of the bank-note into gold.
2. So to regulate the issue of such notes as to make the currency of the country fluctuate in the same manner, under the varying conditions of trade and commerce, as if it were wholly metallic, combining, at the same time, the advantages to the country of a paper currency, and the profits which may be legitimately derived from such a source.

I consider that the results of the working of this Act during the last 12 years have been decidedly satisfactory, and am, therefore, of opinion that it may be advantageously renewed.

I should not, however, be disposed to limit this renewal to so short a period as 10 years, considering that it is not desirable that the public mind should be periodically agitated, and questions involving changes in the laws, which regulate the currency, be frequently discussed, with a view to their alteration.

The amount of 14,000,000 *l.*, fixed by the Act as the extent to which notes might be issued against securities, appears to me to have been judiciously chosen, and although the working of the circulation since 1844, might seem to warrant some increase in the above amount, I do not think the question of sufficient importance or urgency to justify any alteration.

Appendix, No. 1.

H. W. Blake, Esq.

The events of 1847 may seem to indicate that the Act did not provide against the effects of internal panic; and that under circumstances of extreme pressure its provisions rather tended to aggravate the general alarm which then existed; and it might seem desirable that under such circumstances some power of relaxation should be given; but, on the other hand, the knowledge that such a power existed would tend to lessen the salutary provisions of the present Act; for its success depends on the certainty of their being carried out, and its wholesome effects and warning voice against over-trading are only felt through the agency of pressure. I am therefore not inclined to recommend any change in this respect.

In regard to the 5th Clause, by which the Bank is, in the event of any banker failing to issue his own bank notes, empowered to issue, on securities, an additional amount equal to two-thirds of such lapsed issue of these bankers, it appears to me that this power may be safely enlarged, to the full extent to which the country notes have been withdrawn.

In regard to the Scotch and Irish Banking Acts, I am not sufficiently acquainted with their working to offer any suggestions; but it seems desirable to prohibit, or at any rate to diminish the issue of notes of less denomination than 5*l.*; and I should also deem it advisable to make the Bank of England notes legal tender throughout the United Kingdom, or at all events in Scotland.

Yours, &c.

Thomas M. Weguelin, Esq., Governor of the Bank of England. (signed) *H. Wollaston Blake.*

To the Governor of the Bank of England.

Dear Sir, 3 November 1856.

Before we reply specifically to the questions which you have put to us, we think it expedient to advert to the objects of the Acts of 1844 and 1845. These objects we conceive to have been mainly the following:—

1. To render the paper money of the United Kingdom secure, convertible, and little liable to discredit.
2. To make it vary in amount like a metallic currency.

On a careful review of all that occurred since 1844 and 1845, we feel a conviction that the objects just referred to have been substantially attained, and that the note circulation has been in a far more satisfactory state during the last eleven years than during any former period. We are further of opinion, that the existing laws arm the Bank of England with sufficient powers to discharge all the public duties with respect to the circulation and support of credit that properly belongs to it.

We are of course aware that clauses may be pointed out in the Acts of 1844 and 1845, not consistent with their perfect symmetry and apparent completeness; but we do not conceive that these anomalies produce any inconvenience of real importance.

We are thus enabled to answer the queries put to us by saying—

1st. That we are not prepared to suggest any practical improvement in the Acts of 1844 and 1845.

2ndly. That we think it highly expedient for the public good that the existing currency laws should be re-enacted without any material alteration.

(signed) *Geo. Wde. Norman.* *Thomson Hankey.*
Kirkman D. Hodgson. *James P. Currie.*
H. H. Berens. *R. W. Crawford.*
Jas. Morris. *H. W. Blake.*
Jas. Malcolmson.

Benjamin Buck Greene, Esq.

My dear Mr. Governor, 10 November 1856.

B. B. Greene, Esq.

In reply to your note asking for my written opinion on the Banking Acts of 1844 and 1845, I beg to submit the following observations, confining them (as I conclude you intend) to the operation of the clauses which refer to the limitation put upon the issue of promissory notes payable to bearer on demand.

In reviewing the operation of the Act of 1844, I consider that it has worked well for the country, and has substantially answered the purposes for which it was passed; these being to render the paper issues of the kingdom secure and convertible, and to assimilate its action to that of a metallic currency.

I say substantially only, because convertibility has not been completely attained, owing to the failure of some of the country banks of issue.

Taking all circumstances into consideration, I am of opinion that it would be expedient to allow the Act to remain in force undisturbed.

But if its re-consideration be forced upon Parliament, with a view to making material modifications, then I should venture to suggest that provision be made for causing the entire issue of notes in England and Wales to merge into that of the Bank of England, either at once or by a gradual process. Such additional issue to be made against securities to the extent of two-thirds of the present authorised amount of the country circulation. The country banks to be compensated on some such plan as is provided for in the 24th section of the

the Act. The Government to receive the profit of such issue, after deducting the compensation allowed to the bankers, and the expenses attendant upon it.

B. B. Greene, Esq.

The paper circulation of the kingdom would thus be placed on a safe and satisfactory basis; the practical convertibility of every note secured, and the entire currency become legal tender.

Failing to carry such a measure as the foregoing, I am of opinion that every bank of issue should be called upon to deposit with the Government securities of the State for the full amount of its authorised issue; and thus, as far as practicable, secure the solvency of the notes, and establish a greater feeling of confidence in the public mind with respect to them.

As regards the amount of issue by the Bank of England against securities, now limited to 14,475,000 *l.*, I believe that a not inconsiderable portion of the public are favourable to its extension to 16,000,000 *l.* or more, and I am free to admit that there may not be much danger in fixing the limit at sixteen millions; still I consider the risk quite sufficient to induce me to prefer the present amount, particularly as the only permanent advantage to be derived from the extension would arise from the saving of some 25,000 *l.* or 30,000 *l.* a year; a sum totally inadequate, in my humble judgment, to be set against the remote, perhaps, but still possible contingency of serious consequences being produced by the public taking alarm in the event of the limit being rather nearly approached at a period of monetary pressure.

With regard to the Acts of 1845, applicable to Scotland and Ireland, I cannot say that I have much practical knowledge as to how they have worked; but it seems to me that the paper circulation of those countries ought to be put upon a sounder basis than at present exists.

This might be done by compelling the banks to deposit Government securities for the authorised amount of their issue, and by suppressing the issue of notes under 2 *l.* or 3 *l.*

As a matter of convenience it would, I think, be very desirable to constitute the notes of the Bank of Ireland a legal tender in Ireland; and the notes of some establishment in Scotland, or those of the Bank of England, a legal tender in Scotland.

I remain, &c.

T. M. Weguelin, Esq. (signed) *Benj. B. Greene.*

Francis Wilson, Esq.

Bank of England, 12 November 1856.

F. Wilson, Esq.

The Bank Charter Act of 1844 appears to have proved itself such an advance in legislation upon the laws affecting the currency of the country, and has gone through with considerable success several very severe ordeals, and those from different causes; that I should be unwilling to peril it by exposing it to the chance of fundamental changes which might prove serious injuries instead of substantial improvements.

I must, however, express my opinion, after careful watching of the practical working of the Bank Charter Act, and after the best consideration I can bring to bear upon the subject, that it would be an essential improvement to have a permissive power, upon the consent of the Chancellor of the Exchequer (or in any other way to be determined upon), for the extension of the issue upon securities to an extent and for a period specified, whenever the bullion shall have diminished to a certain defined limit.

My reason for desiring this power of temporary relaxation in extreme emergency, is the conviction that these large diminutions of the bullion occur, for the most part, from special causes, and which are continuously mitigating, and in the end adjusting themselves, after no long period; so that by such measure, the serious injury to commerce (more especially the tradesman) by the crushing rate of discount, the unnecessary temporary depression in almost all property, and consequently a monetary crisis, would be immeasurably lightened if not remedied.

When the subject of currency shall have become more of a science, having recognised principles and data to start from, further investigation into, and renewed discussion upon, the merits or demerits of the Bill of 1844 may be of real advantage to the country; but it appears to me that the first step should be, to fix what is meant by, or included in, the term "currency," upon which fundamental point, hitherto, nothing like common consent has been arrived at—nay, upon which point no two of the most competent authorities are agreed.

(signed) *Francis Wilson.*

James Malcolmson, Esq.

My dear Governor, King William-street, 11 November 1856.

J. Malcolmson, Esq.

I had the pleasure of receiving your esteemed note, requesting my sentiments on the Banking Acts of 1844 and 1845, when on the Continent, and having been otherwise much occupied since my return home, must beg you to excuse my so long delaying my reply.

I understand your desire is to have the individual opinions of your colleagues on these Acts, and any improvements that might be made in them; not on the wide and vexed questions of currency generally, on which we constantly hear more or less fanciful schemes propounded, unsuited to existing circumstances.

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J. Malcolmson, Esq.

The aim of the originator of the Act of 1844, was, I assume, to make the currency of this country approach as near as possible to what it would be if entirely metallic, which, in a great commercial community, is an impracticability.

I am of opinion that the Act has well and truly effected this object as far as within the power of legislation, and I desire to see it renewed in its integrity, rather than have another Act on different principles, however plausible they may appear; satisfied that many of the schemes above alluded to, however strongly they may at present be supported, would only lead to disappointment and repeated changes, than which, short of a convulsion, nothing is more injurious to commerce.

But while I anxiously desire the renewal of the Act, I wish the amount of Bank notes issuable on securities, to be considered; that is, whether the 14,000,000 *l.* (now 14,475,000 *l.*) is too high or too low. I never heard any valid reason for asserting that those figures were an essential part of the Act, or that they should never be modified.

My opinion is, though I state it with hesitation to those who are so much better informed than myself, that the amount is too low, and that, looking to the vast extension of commerce within the last ten or twelve years, stimulated by the gold discoveries, at least 1,000,000 *l.* or 1,500,000 *l.* might be added, and 16,000,000 *l.* with safety inserted on renewing the Act.

Those who expect that any system of currency would prevent dearness or scarcity of money (when intense, and exaggerated by public opinion, called panics) would be disappointed even were their own favourite scheme enacted.

Crises and panics will arise under any system, whether metallic or any other; and in my humble opinion, founded on long and extensive connexion with commercial affairs, I am satisfied the Act has greatly mitigated those that have occurred during its existence, and to which they were in no degree owing.

With these sentiments you will not be surprised at my desire to see the Act renewed, and its principle extended over the kingdom, either by an arrangement with the country bankers in the way of purchase of their rights, or otherwise, or by enactment, to take effect at a prospective date, so that the time may arrive when we shall have no other bank-notes than those issued in conformity with the great principles of the Act of 1844.

With regard to your last question, relating to Ireland and Scotland, I am aware there may be more difficulty than in England, in bringing the entire circulation of the United Kingdom into unison with those principles which I think have worked well as far as they have been carried in England. I would, however, urge that this great object be kept in view, even to the early prospective withdrawal of all 1 *l.* and 2 *l.* notes, in the future legislation respecting the circulation of the United Kingdom.

Believe me, &c.

Thomas M. Weguelin, Esq., (signed) *Jas. Malcolmson.*
Governor of the Bank of England.

John Oliver Hanson, Esq.—(Second Letter.)

My dear Governor, 4, Dorset-square, 19 November 1856.

J. O. Hanson, Esq.

Since my return home I have been enabled to consider more fully the queries you have put to me, and I think it more respectful to you, and more satisfactory to myself, that I should reply to them more at length than I have done, in the short letter I addressed to you from St. Leonard's.

The Banking Acts of Sir Robert Peel of 1844 and 1845 appear to me to have worked very successfully, by putting the circulation of the country, consisting of bank notes and coin, upon a sound basis.

The evils under the old system were apparent; and among the most prominent were, I think, the following:—

1. The want of an established rule, on the part of England and the country banks, for the management of their issues.
2. The unfair exemption of the Scotch and Irish banks from the expense and responsibility, while enjoying, at the cost of others, all the advantages of a metallic currency.
3. The facilities enjoyed by adventurers and speculators to found, at pleasure, banks of issue and joint stock banks.
4. The want of due provision for insuring the possession of *bonâ fide* capital by new joint stock banks; for the audit and publication of accounts, and of the names of shareholders, and other regulations of a protective nature.

These defects, under the old system, were plain and indisputable; and under the Banking Acts of 1844 and 1845 altogether disappear. Though the period of 1847 is often referred to by their opponents as a period when, as they state, the Bill of 1844 broke down, and the Government was induced to interfere to allay the panic then existing, it may be stated in reply, that the Bank of England still possessed the power of carrying out the Bill in its integrity, and that the panic was more from want of confidence in commercial houses, than from any real fear on the part of the public of the stability of the Bank itself.

This distrust, subsequent investigation proved to have been well founded, for most of the houses that were refused discount accommodation at that period and failed, were distinctly shown afterwards to have been insolvent for years, and would, no doubt, under similar circumstances, have equally failed under the old system as under Sir Robert Peel's Bill of 1844.

Notwithstanding,

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J. O. Hanson, Esq.

Notwithstanding, however, this exceptional period (if exceptional it may be called), looking to the period from 1826 to 1844, when, except within the London district so called, banking was practically free, and no limit was put upon the issue of bank notes; and comparing it with the period from 1844 to the present time, the latter appears to me to contrast most favourably with the former.

From 1826 to 1844, it is notorious we were subjected to perpetually recurring cycles of panic, bankruptcy, and confusion. In England, among other bank failures, the failure took place of—The Norwich Bank; Northern and Central Bank; Commercial Bank of England; North of England Joint Stock Bank; and the Bank of Manchester.

In Ireland:—The Southern Banking Company, and the Agricultural and Commercial Bank of Ireland, entailing much misery and distress on the agricultural population of that country.

In Scotland:—The Aberdeen Bank; Dundee Commercial Bank; Dundee Union Bank; East Lothian Bank; Fife Banking Company; Montrose Bank; Southern Bank of Scotland; and the Stirling Bank.

The latter period, from 1844 to the present time, has furnished comparatively few failures; the management of the banks generally having been prudent, their business prosperous, and their note circulation sound, because never redundant.

With these facts before me, I should regret exceedingly to see the principle of the Bills of 1844 and 1845 called in question, or in any way disturbed.

I see, however, no objection, considering the altered circumstances of the country, the large accumulation of capital, the increase of population requiring a somewhat higher amount of circulation, and the expansive character of our commercial transactions, why the present limit of 14,000,000 *l.* might not be safely increased to 16,000,000 *l.*

I remain, &c.

T. M. Weguelin, Esq. (signed) *J. O. Hanson.*

Bonamy Dobree, Esq.

B. Dobree, Esq.

My dear Governor, 6, Tokenhouse-yard, 5 November 1856.

In reply to the four questions put to me in your letter of the 30th September, I beg to state:

1st. That I have no suggestions to make with reference to the operation of the Act of 1844, which, with the reserve of an opinion upon one action of the Bill, I do not desire to see altered.

2d. I should deprecate all discussion of the banking question at this moment, and I would prefer that the re-enactment of the Bill of 1844 should remain subject to the notice as provided for in the 28th section of the Act of 7 & 8 Vict. c. 32.

3d. Is replied to by the foregoing answer.

4th. The Irish and Scotch banks being restricted in the amount of their circulation, unless based upon gold coin, I doubt very much the policy of continuing to them the privilege of an issue of notes against an equal amount of gold coin; and I should be of opinion that it would be desirable to assimilate the laws of Scotland and Ireland to that of England. The abstraction of gold coin from the Bank of England's reserve, as at present, in aid of the Irish and Scotch circulation in excess of their legalised issues, tends to increase the pressure in the money market, and which would to that extent be avoided if the Acts in question were repealed in that particular.

My reservation in answer to question 1st, has reference to the issue of notes on bullion beyond the amount issued on securities.

It has always appeared to me that the main object of the framers of the Act of 1844, was to secure the convertibility of the bank-note, and so to arrange as that the influx of gold bullion should have the same action and effect on the circulation of the country as would be produced were it actually in coin, instead of being represented by notes; and, secondly, to guard against violent fluctuations in the value of money.

Now, in my opinion, this latter object has failed to be attained by the Act of 1844.

The gold bullion has oscillated between 8,000,000 *l.* and 22,000,000 *l.*, whilst the active notes have ranged between 17,000,000 *l.* and 24,000,000 *l.*; thus showing a variation between the extreme points of 14,000,000 *l.* in the first, and only 7,000,000 *l.* in the last case; and these last referred to amounts were exceptional, the ordinary range being 18,000,000 *l.* and 22,000,000 *l.*, or a difference of but 4,000,000 *l.* in place of 14,000,000 *l.*

23 October 1847, 8,313,000 *l.*
10 July 1852, 22,232,000 *l.*
16 Dec. 1848, 16,736,000 *l.*
16 July 1853, 23,808,000 *l.*

The consequence of this has been that, in periods of over-abundance of gold bullion, the reserve of notes in the bank's till has risen to 14,700,000 *l.* notwithstanding simultaneous efforts to force the issue, and to lower thereby the rate of discount; thus giving a great impetus to speculation, and enhancing the value both of securities and produce: when, on the other hand, a drain of gold bullion has set in, and the reserve of notes fallen to under 2,000,000 *l.*, this has been attempted to be met by a rapid increase in the rates of discount, causing severe pressure in the mercantile interest, and followed by a marked decline in the value of the funds and of all securities, as well as in the price of all commodities.

26 June 1852.

Lowest reserve, 30 October 1847, 1,606,000 *l.*

These violent and sudden ebbs and flows, of which there have been various recurrences during the past twelve years, evidenced, in my opinion, by forty variations in the rates of discount, from 2 per cent. the lowest, to 8 per cent. the highest; whilst in the previous ten

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years there were but ten changes between 2½ per cent. the lowest, and 6 per cent. the highest; could not have been foreseen, I think, by the promoters of the Act of 1844, and act very prejudicially upon the trading community, for whose particular benefit and safeguard the Act would seem to have been specially framed.

One remedy, in my mind, would be found by relieving the Bank from the obligation of buying all gold bullion in exchange for notes at 3 *l.* 17 *s.* 9 *d.* per ounce.

Were the obligation removed, gold in seasons of plethora would find its own market value, or it would be taken to the Mint to be coined; and in this latter case the redundant circulation of the country would consist in coined gold, and not in Bank of England paper as at present.

I remain, &c.

T. M. Weguelin, Esq. (signed) *Bonamy Dobree.*

J. G. Hubbard, Esq., to the Right Hon. the Chancellor of the Exchequer.

Dear Sir George, Princes Gate, 28 November 1856.

J. G. Hubbard, Esq.

Your visit reminds me of my intention to communicate to you a few remarks supplementary to the paper upon the Act of 1844, which I placed in the hands of the Governor of the Bank for your consideration.

I ventured to suggest that the Government should, so far as England and Wales are concerned, carry out the provisions of the Act of 1844 (hitherto in action only permissively), and establish one uniform currency, the amount based on securities being that originally recognised by the Act, viz., 22,500,000 *l.*

The amount still issuable by the country banks under the authority of the Act, is in round numbers 8,000,000 *l.* I propose that these issues should cease, and that their beneficial interest assessed at 1 per cent. per annum be purchased by the Government.

The question then arises, "What should be the price?"

Assuming the value of a right of issue in perpetuity at thirty years' purchase on the net profit, and reasoning from the analogous case of the Bank of England (two-thirds of whose net profits on the Issue Department are taken by the State), ten years' purchase of their net profit of 1 per cent. on their authorised issue would be an equitable compensation for the country issuers; but as it should be an object to remove any ground of complaint or dissatisfaction on their part, the price might be raised to fifteen years' purchase.

The withdrawal of the country issues might be effected gradually, yet completely, within a period of twelve months. At quarterly intervals, returns might be made of the amount withdrawn, and to the same extent (say 2,000,000 *l.*) the Bank might enlarge its issues.

Assuming the country issues at 8,000,000 *l.*, the beneficial interest would be 80,000 *l.* annually, and the redemption at fifteen years' purchase would amount to 1,200,000 *l.* This sum the issuing banks might receive gradually, *pari passu* with the withdrawal of their own notes.

Of the 8,000,000 *l.* to be issued by the Bank, 3,000,000 *l.* or 4,000,000 *l.* (including the 1,200,000 *l.*) might be a direct loan to the Government; the residue, invested primarily, perhaps, in the securities parted with by the issuing country banks, would eventually be also represented by Government securities.

The result would be that the State would receive from the Bank the net profit annually arising from the extended issue of 8,000,000 *l.*, minus the interest of the 1,200,000 *l.*, instead of the stamp duty on the present country issues, and that the country would gain an uniform currency of perfect security.

The whole process of transition and compensation would be quite simple and easily accomplished.

Believe me, &c.

The Right Hon. Sir G. C. Lewis, Bart., &c. (signed) *J. G. Hubbard.*

Letter from *Thomson Hankey*, Esq., to the Right Hon. Sir *G. C. Lewis*, Bart., M. P.

My dear Sir George, Mincing-lane, 5 November 1856.

T. Hankey, Esq.

I have already replied to certain queries put to me by the Governor of the Bank of England in consequence of a communication from yourself, in which you express a wish to learn the opinions of the several Directors of the Bank respecting the continuance of the present Acts relating to the Bank of England, without material alteration.

I have given in my reply, by signing a paper conjointly with several of my colleagues, expressing a general approval of the existing Act relating to the Bank of England—considering, as I do, this Act efficient, as far as the Bank of England is concerned, for the purpose of carrying out the objects intended, and of which the principles were laid down by Sir Robert Peel in May 1844; and that perfect security is thereby afforded for the maintenance of the paper circulation of the Bank of England at the same value as if the whole circulation of England were not only based upon, but actually metallic—leaving the Bank completely unfettered in the management of its banking department, excepting the obligation to publish weekly a statement, showing, in an abstract form, the assets and liabilities of the Company.

I considered

I considered that, in replying to these queries, I was only called upon to express my opinion as a Director of the Bank as to how far I was satisfied with the existing Acts of Parliament, or whether, with reference to the Bank of England alone, I desired any and what changes to be made; and feeling satisfied that no changes affecting any question of principle were required or desirable, I readily expressed my general assent to leave the question in its present position.

If, however, any fresh legislation is now to take place on the subject of the currency, as generally regulated by the Acts of 1844 and 1845, I venture to express my own opinion to you that a renewal of those Acts, without some material alteration, is not consistent with the general principles laid down either by Sir Robert Peel or by Sir Charles Wood in 1844.

My objection to the Acts of 1844 and 1845 are, that whilst the principle of securing the convertibility into gold, as respects the issues of the Bank of England, is fully carried out, by requiring not only that all its issues above 14,000,000 *l.* be made upon bullion, but even the 14,000,000 *l.* be invested in securities of indisputable value, no such rule is made applicable with regard to the other issuing bodies in Great Britain. In England, the whole of the amount, considered to be 8,000,000 *l.* sterling, besides the limited amounts for Scotland and Ireland, is allowed to be freely dealt with by the issuing bodies, without the necessity of any investment as a security for the payment of the notes. My second objection to these Acts, on general grounds, is, that it is not wise to couple an Act for regulating the paper currency of Great Britain with other Acts relating to banking, which are not only distinct in their general principles, but which have really no sort of connexion; and by allowing the two subjects to be mixed in the same Acts of Parliament a constant confusion is kept up in the public mind, and a too common feeling is perpetuated, that the sound management of the currency of the country is connected with, or dependent upon, the prudent system of management adopted in the business of banking throughout the country, especially as regards the Bank of England, and that the good management of the one department depends on the good faith preserved in the management of the other—a confusion which leads to erroneous impressions, and which is calculated to do harm rather than good.

I think that any Act for the regulation of the paper currency of the country should be of a permanent nature, entirely distinct from the charter of incorporation of any bank.

I consider that the expediency of continuing these functions with the Bank of England rather than with any set of Commissioners to be named by the Government, is conclusively established by the arguments of Sir Charles Wood, in his speech in the House of Commons, in May 1844. I know that I unfortunately differ, not only from some of my colleagues, but from many influential persons unconnected with the Bank of England, in considering that at all times, and under almost any conceivable case, the action of the Bank ought to be governed by the same rule as would govern the proceedings of most well-regulated private banking establishments in Great Britain, by looking to their deposits, and to their deposits alone, as the source from which discounts can be satisfactorily provided, whether in a sluggish or active state of trade.

The capital of the Bank is the great security to the public for the safe deposit of the public money, and also to meet any losses which may occur in the management of the public debt; and although I am far from thinking it desirable that this capital should be so invested as to be unavailable for any emergency for which it may rightly be held as a security, yet I doubt the expediency of allowing it to be reckoned upon as available to supply the wants of the commercial world for discounting their bills or for making temporary loans. Whenever a pressure is brought to bear upon the Bank by an undue application for discount beyond a reasonable amount of its deposits, the sooner such a pressure is met by a rise in the rate of discount the better, not only for the safety of the Bank, but for the eventual interest of the trading community throughout the country; such a rise, although it may not produce the immediate effect, is certain, if steadily continued, to produce the result of diminishing the demand for the floating capital of the country, generally available for mercantile operations at home and abroad; and the power of raising the rate is a sufficient weapon in the hands of the owner of capital to protect him against any demand which would otherwise require him absolutely to refuse to lend money at all. These are the views I entertain respecting the position of the Bank of England, and with regard to the country issues of notes; and should they be in accordance with those entertained by Her Majesty's Government, I cannot doubt, but that such an Act might be passed as would place the whole question of the issue of paper money in Great Britain on a satisfactory and perfectly secure footing.

I am, &c.
(signed) *Thomson Hankey.*

The Right Hon. Sir G. C. Lewis, Bart., M. P.,
&c. &c. &c.

Appendix, No. 2.

Appendix, No. 16, to Report from the Select Committee on Commercial Distress, 1848.

AN ACCOUNT of the Average Circulation of Twenty-one Days' and Seven Days' Bills, in each Year from 1832 to 1847; distinguishing the Amount from each Branch Bank.

	1832.	1833.	1834.	1835.	1836.	1837.	1838.	1839.	1840.	1841.	1842.	1843.	1844.	1845.	1846.	1847.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Gloucester	2,327	1,947	2,008	2,427	1,606	1,835	1,805	1,139	1,012	790	679	722	1,342	739	969	958
Manchester	13,972	15,407	13,542	19,357	14,934	13,862	14,736	16,505	24,310	33,169	35,010	52,124	76,067	89,862	82,750	74,690
Swansea	2,258	1,855	1,568	2,496	1,581	1,435	1,502	1,342	1,150	1,474	1,752	1,748	2,202	2,079	1,946	2,186
Birmingham	5,474	4,670	4,320	3,828	3,471	3,934	3,257	3,473	3,763	3,862	3,825	4,941	5,967	9,912	6,732	6,885
Liverpool	33,746	38,132	36,464	54,567	44,363	33,973	30,687	32,009	39,761	47,960	53,500	65,325	84,239	112,270	93,394	91,602
Bristol	8,578	7,888	7,521	4,895	3,637	4,458	3,645	3,408	3,373	3,154	3,591	3,484	5,828	9,143	6,832	8,447
Leeds	6,109	7,289	6,176	5,936	4,498	3,466	3,418	3,631	3,648	5,017	5,780	8,311	10,155	12,575	13,130	13,289
Newcastle	2,115	1,284	624	2,987	2,615	3,664	2,736	3,329	4,605	5,582	5,917	6,576	7,805	11,943	14,761	21,863
Hull	3,795	4,831	2,434	2,003	2,313	2,736	2,552	3,002	3,173	3,217	4,526	5,132	7,782	11,140	9,806	11,217
Norwich	1,712	1,650	1,340	2,119	1,105	1,385	986	1,331	1,377	1,804	1,788	1,949	2,329	1,719	1,612	1,557
Plymouth	- -	- -	939	2,731	2,714	1,615	2,528	3,503	2,759	3,551	3,482	3,682	3,764	3,867	3,667	4,596
Portsmouth	- -	- -	269	738	1,069	1,758	2,368	2,058	2,690	3,284	2,879	3,016	3,200	3,635	3,635	3,897
Leicester	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,871	2,676	1,859	1,547
Exeter *	815	989	980	—	—	—	—	—	—	—	—	—	—	—	—	—
£.	80,901	85,942	78,185	104,084	83,906	74,121	70,220	74,730	91,621	112,864	122,729	157,010	212,551	271,560	241,093	242,734

* *N B.*—This Branch was removed to Plymouth, 1 May 1834.

Bank of England,
13 January 1848.

M. Marshall,
Chief Cashier.

AN ACCOUNT of the AVERAGE CIRCULATION of SEVEN DAYS' and other BILLS in each Year, from 1848 to 1856, both inclusive; distinguishing the Amount from each Branch (in continuation of Appendix, No. 16, to Report from the Select Committee on Commercial Distress, 1848.)

	1848.	1849.	1850.	1851.	1852.	1853.	1854.	1855.	1856.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
Manchester - -	74,975	81,512	951,01	96,475	108,909	123,614	92,005	77,025	67,973
Swansea - - -	2,644	3,882	4,408	3,860	3,432	4,674	4,764	5,658	4,839
Birmingham - -	6,158	6,393	7,532	6,474	7,394	8,338	6,418	6,013	6,438
Liverpool - -	97,424	103,278	118,027	116,508	136,444	147,517	129,201	105,087	93,018
Bristol - - -	17,289	27,227	30,751	28,164	51,308	37,595	23,831	20,879	14,826
Leeds - - -	12,016	12,875	13,250	13,448	16,588	16,194	12,363	8,671	6,382
Newcastle - -	26,510	23,480	26,118	25,359	26,257	33,644	33,788	35,795	37,970
Hull - - -	10,431	12,226	13,068	13,225	18,665	21,387	19,341	12,158	10,443
Plymouth - -	4,331	6,373	8,008	6,674	9,456	7,751	7,393	6,694	4,580
Portsmouth - -	3,175	2,714	3,048	2,642	3,154	3,479	4,095	3,680	4,681
Leicester - .	1,816	1,937	1,800	2,012	4,063	4,236	2,272	2,152	2,121
Gloucester * - -	2,024	553	51	40	40	40	40	40	40
Norwich † - -	2,182	2,295	2,442	2,095	1,112	86	84	66	57
Exeter ‡ - - -	16	16	16	16	16	16	16	16	16
	260,991	284,761	323,530	316,992	386,838	408,571	335,611	283,934	253,384

* This Branch was closed 28th February 1849.

† „ „ „ 31st May 1852.

‡ „ „ removed to Plymouth, 1st May 1834.

Bank of England,
25 February 1857.

M. Marshall,
Chief Cashier.

Appendix, No. 3.

Appendix, No. 18, to Report from the Select Committee on Commercial Distress, 1848.

AN ACCOUNT of the Average Circulation of Branch Bank Notes in each Year from 1832 to 1847, both inclusive; distinguishing the Amount from each Branch Bank.

	1832.	1833.	1834.	1835.	1836.	1837.	1838.	1839.	1840.	1841.	1842.	1843.	1844.	1845.	1846.	1847.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Gloucester - -	56,068	49,084	37,039	37,718	82,953	211,531	304,356	339,722	308,819	302,665	278,239	121,917	103,731	90,897	83,290	71,975
Manchester -	1,315,296	1,526,743	1,605,260	1,473,738	1,560,426	1,505,732	1,501,231	1,476,097	1,424,529	1,501,143	1,604,054	1,780,994	2,154,502	2,398,540	2,323,185	2,129,062
Swansea - -	49,428	47,297	58,318	68,721	80,408	97,313	99,066	104,614	96,494	81,720	84,235	83,681	96,113	99,150	106,869	106,634
Birmingham -	413,622	402,739	353,125	328,329	368,463	432,186	452,431	499,017	525,630	558,321	555,496	605,095	600,900	592,107	608,589	658,231
Liverpool - -	377,144	522,625	581,228	710,615	828,820	786,383	833,272	800,054	769,438	722,896	777,838	919,047	1,241,467	1,367,365	1,129,299	1,118,691
Bristol - -	113,320	116,465	94,630	84,721	74,280	78,386	74,944	69,424	76,359	78,030	168,407	252,744	324,696	436,426	446,027	421,500
Leeds - -	199,005	262,250	229,606	247,126	262,537	211,797	197,164	192,755	164,207	197,225	297,082	325,774	322,372	403,292	396,204	359,595
Newcastle - -	51,146	49,853	59,251	104,112	123,072	241,111	251,103	338,079	376,565	424,573	498,704	543,287	598,290	666,086	695,130	742,628
Hull - - -	59,272	68,035	58,522	52,039	66,859	77,438	80,015	81,046	84,511	78,842	80,486	89,137	98,826	124,523	122,582	112,039
Norwich - -	30,245	32,521	25,117	16,689	12,843	11,661	10,723	12,020	10,546	10,050	19,369	55,738	65,980	30,752	12,290	10,553
Plymouth - -	- -	- -	42,018	60,552	64,254	70,953	61,475	56,515	56,004	70,802	254,623	291,995	364,817	351,402	332,058	311,480
Portsmouth -	- -	- -	35,672	62,060	59,442	109,413	127,363	116,354	112,832	189,457	267,424	367,377	417,521	383,557	343,203	317,332
Leicester - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	127,205	183,507	174,910	168,020
Exeter * - -	31,154	36,016	34,869	7,334	3,411	2,259	1,685	1,308	1,053	805	661	610	564	—	—	—
£.	2,695,700	3,113,628	3,214,655	3,253,754	3,587,768	3,836,163	3,994,828	4,087,005	4,006,987	4,216,529	4,886,618	5,437,396	6,516,984	7,127,604	6,773,636	6,527,740

* *N. B.*—This Branch was removed to Plymouth, 1 May 1834.

Bank of England,
13 January 1848.

M. Marshall,
Chief Cashier.

AN ACCOUNT of the AVERAGE CIRCULATION of BRANCH BANK NOTES in each Year, from 1848 to 1856, both inclusive; distinguishing the Amount from each BRANCH BANK (in continuation of Appendix, No. 18, to Report from the Select Committee on Commercial Distress, 1848).

	1848.	1849.	1850.	1851.	1852.	1853.	1854.	1855.	1856.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
Manchester - -	1,873,496	2,088,520	2,329,286	2,409,171	2,587,779	2,930,378	2,745,698	2,695,960	2,768,613
Swansea - - -	86,173	82,544	78,475	75,125	84,218	93,170	89,896	88,749	95,599
Birmingham - -	590,004	532,386	539,571	579,387	654,091	766,076	759,488	715,406	676,438
Liverpool - -	956,127	980,203	1,024,488	1,027,032	1,143,125	1,277,318	1,142,577	931,147	855,911
Bristol - - -	363,651	355,397	370,939	366,109	401,316	479,096	455,303	422,864	424,997
Leeds - - -	302,947	315,156	357,318	399,121	446,135	533,638	484,464	444,501	438,322
Newcastle - -	777,999	710,479	700,120	680,186	686,460	730,173	771,969	800,418	766,385
Hull - - -	102,421	110,833	129,009	126,650	136,375	139,357	120,948	123,202	115,992
Plymouth - -	265,293	237,339	256,390	261,661	279,645	303,189	290,582	297,216	280,486
Portsmouth - -	286,502	284,414	285,011	289,029	311,854	326,631	311,351	329,700	350,093
Leicester - - -	155,225	162,488	164,259	180,256	199,501	224,223	201,111	187,563	197,838
Gloucester * - -	59,392	30,697	19,827	15,870	8,632	6,114	5,256	4,223	3,673
Norwich † - -	9,178	9,322	9,285	7,954	5,086	1,913	1,341	1,062	838
Exeter ‡ - - -	303	275	256	240	235	231	230	230	221
£.	5,828,711	5,900,053	6,264,234	6,417,791	6,944,452	7,811,507	7,380,214	7,042,241	6,975,406

* This Branch was closed 28th February 1849.

† „ „ „ 3st May 1852.

‡ „ „ removed to Plymouth, 1st May 1854.

Bank of England,
25 February 1857.

M. Marshall,
Chief Cashier.

Appendix, No. 4. - - - - - - - -

Appendix, No. 17, to Report from the

A Weekly Statement of the Circulation of Twenty-one and Seven Days'

——	Gloucester.	Manchester.	Swansea.	Birmingham.	Liverpool.	Bristol.
1847:	£.	£.	£.	£.	£.	£.
January - 2	711	79,126	2,248	5,408	103,206	5,397
„ - 9	2,069	87,107	1,749	5,777	110,654	6,117
„ - 16	821	91,307	2,199	6,755	108,752	6,546
„ - 23	754	88,334	3,419	7,993	97,660	5,850
„ - 30	544	97,708	2,259	7,524	95,628	4,683
February - 6	2,203	88,841	1,727	6,746	110,621	11,726
„ - 13	877	87,894	4,845	7,394	91,826	7,170
„ - 20	403	82,722	1,706	6,114	95,424	5,480
„ - 27	1,241	81,081	2,504	6,685	90,706	5,030
March - 6	2,048	86,736	1,208	7,434	100,764	5,056
„ - 13	618	84,477	1,352	6,088	96,541	5,092
„ - 20	710	88,089	1,603	15,893	91,230	5,831
„ - 27	713	84,949	2,068	16,795	90,546	5,275
April - 3	1,743	93,095	1,929	16,642	90,915	6,399
„ - 10	771	92,672	3,150	8,125	87,147	7,391
„ - 17	1,090	89,349	1,446	5,966	82,625	7,520
„ - 24	563	81,263	1,701	6,579	80,905	7,328
May - 1	845	76,021	1,816	7,587	74,945	9,455
„ - 8	410	71,536	2,766	7,206	80,003	7,486
„ - 15	1,073	77,477	2,448	6,639	65,798	8,411
„ - 22	564	64,693	2,498	5,870	71,485	8,162
„ - 29	1,205	63,011	1,323	5,891	68,895	8,220
June - 5	506	66,108	2,225	5,646	82,779	9,970
„ - 12	581	73,494	2,549	5,777	74,383	8,716
„ - 19	1,629	62,091	1,330	3,862	80,559	7,100
„ - 26	885	60,937	1,746	4,250	75,148	6,558
July - 3	552	67,442	1,515	4,795	90,514	7,303
„ - 10	444	68,655	1,913	5,523	98,385	9,664
„ - 17	1,291	66,760	2,384	5,373	98,897	15,792
„ - 24	1,784	74,146	1,572	4,499	106,283	10,458
„ - 31	560	74,538	1,883	7,029	97,302	9,631
August - 7	698	69,966	2,183	5,748	104,850	10,107
„ - 14	988	71,304	1,630	6,187	95,050	11,757
„ - 21	1,247	68,233	2,400	5,972	91,453	9,594
„ - 28	664	63,349	2,201	7,982	84,691	16,413
September 4	606	71,395	2,675	7,776	97,519	8,885
„ - 11	738	67,289	2,196	7,271	92,636	10,362
„ - 18	1,019	62,917	2,121	4,862	95,837	9,388
„ - 25	724	69,253	2,036	4,428	100,173	7,411
October - 2	839	68,931	2,473	4,857	102,561	7,300
„ - 9	642	72,312	2,035	5,607	96,780	7,928
„ - 16	1,027	77,519	1,461	5,724	94,664	9,547
„ - 23	896	76,487	2,068	6,828	90,394	10,265
„ - 30	722	69,376	2,904	7,114	93,535	9,306
November 6	474	69,792	2,242	7,460	91,446	9,424
„ - 13	826	62,528	1,865	6,525	82,875	8,539
„ - 20	755	67,802	2,593	7,671	92,456	8,355
„ - 27	914	66,519	2,612	8,385	93,423	9,584
December- 4	1,547	70,009	2,447	5,727	98,391	11,776
„ - 11	1,130	69,914	2,852	5,277	91,020	10,673
„ - 18	1,762	58,389	3,091	5,635	91,507	7,597
„ - 24	1,402	59,108	2,233	6,825	91,829	9,140
Average - £.	958	74,690	2,186	6,885	91,602	8,447

Bank of England,
13 January 1848.

- - - - - - - - Appendix, No. 4.

Select Committee on Commercial Distress, 1848.

BILLS, during the Year 1847; distinguishing the AMOUNT from each BRANCH BANK.

Leeds.	Newcastle.	Hull.	Norwich.	Plymouth.	Portsmouth.	Leicester.	——
£.	£.	£.	£.	£.	£.	£.	1847:
25,556	12,963	12,703	2,036	3,216	2,788	4,885	2 January.
16,158	14,861	15,358	2,580	2,984	4,278	2,868	9 „
17,621	15,201	12,756	3,698	3,026	5,699	1,491	16 „
16,723	15,772	13,461	1,547	4,192	4,371	1,805	23 „
13,787	15,545	10,320	2,090	5,672	4,876	2,403	30 „
12,013	16,507	10,423	2,194	5,886	3,130	2,846	6 February.
12,103	16,625	11,852	2,770	4,695	3,458	1,727	13 „
17,110	19,457	8,676	1,603	4,544	3,081	1,144	20 „
10,790	15,884	9,841	1,598	4,837	3,675	1,327	27 „
14,032	13,200	11,594	1,442	4,017	2,385	1,360	6 March.
12,051	14,015	12,086	2,029	4,758	2,964	1,097	13 „
16,319	17,624	13,274	1,163	4,386	1,986	1,138	20 „
14,409	17,225	10,298	1,484	3,456	2,114	1,459	27 „
9,709	26,320	12,820	1,416	3,792	2,575	1,945	3 April.
12,383	18,611	18,175	2,163	5,348	3,847	1,137	10 „
12,242	15,487	18,544	2,915	3,428	3,214	1,040	17 „
11,281	20,131	12,904	1,846	2,782	2,952	1,042	24 „
14,169	18,390	9,677	2,567	3,427	3,271	2,249	1 May.
14,597	20,952	8,843	1,776	3,020	2,578	1,225	8 „
12,178	24,008	8,313	2,751	5,114	2,856	1,340	15 „
13,751	21,867	8,181	1,835	3,162	2,128	1,840	22 „
11,082	23,286	9,222	1,358	6,965	6,589	2,198	29 „
14,080	22,760	9,751	1,338	5,095	7,322	1,588	5 June.
19,531	21,069	8,212	1,501	3,865	5,003	1,336	12 „
11,083	17,997	10,144	1,595	4,978	4,018	1,030	19 „
12,603	18,176	8,821	1,001	4,370	4,108	828	26 „
9,550	17,107	8,497	1,148	3,165	4,297	1,894	3 July.
11,805	15,513	9,893	1,206	4,563	4,458	1,026	10 „
9,416	15,770	11,626	1,265	3,970	4,797	2,294	17 „
12,001	13,833	8,201	840	4,858	5,862	1,031	24 „
11,586	14,674	7,104	850	3,457	7,941	1,136	31 „
13,121	18,593	8,768	862	4,399	4,440	1,242	7 August.
13,178	21,863	8,858	1,518	4,027	4,953	1,295	14 „
11,747	17,701	6,839	1,020	4,075	4,756	1,574	21 „
11,441	14,211	10,477	918	3,820	4,569	1,148	28 „
12,427	18,190	9,416	1,224	5,049	3,751	1,191	4 September.
11,830	20,016	10,144	1,564	3,453	3,257	1,522	11 „
19,975	20,748	9,679	968	4,734	3,977	1,098	18 „
13,722	21,903	7,116	819	4,017	7,429	588	25 „
8,990	23,578	8,330	1,591	4,574	5,511	959	2 October.
11,133	21,236	11,336	1,288	6,903	5,240	916	9 „
13,743	23,032	12,512	1,407	6,149	3,280	1,051	16 „
14,252	34,273	15,986	1,184	5,426	2,680	1,039	23 „
13,257	36,607	18,113	1,719	5,830	2,720	772	30 „
11,886	47,301	15,825	1,105	5,838	3,508	1,691	6 November.
10,275	42,160	15,673	1,083	6,924	2,673	1,523	13 „
14,335	31,242	11,409	984	8,041	4,208	2,517	20 „
14,428	34,884	11,844	1,046	5,707	3,112	2,087	27 „
12,648	36,507	11,528	1,022	5,521	3,340	1,430	4 December.
13,624	36,805	13,254	1,303	5,334	2,234	2,549	11 „
12,857	41,513	12,576	1,251	4,132	2,249	1,632	18 „
10,445	28,688	11,879	1,403	3,686	2,102	910	24 „
13,289	21,863	11,217	1,557	4,596	3,897	1,547	£. - AVERAGE.

M. Marshall,
Chief Cashier.

A Weekly Statement of the Circulation of Seven Days' and Other
(In continuation of Appendix No. 17 to the Report from

Date.	Manchester.	Swansea.	Birmingham.	Liverpool.	Bristol.
1856:	£.	£.	£.	£.	£.
January - - 5	79,251	3,387	4,346	104,411	14,319
" - - 12	77,140	2,823	4,333	96,089	10,211
" - - 19	62,923	4,369	7,232	96,213	7,546
" - - 26	65,678	4,615	5,355	87,824	23,616
February - 2	63,463	5,813	6,967	82,958	28,342
" - - 9	53,781	5,609	7,083	103,473	13,742
" - - 16	57,360	3,984	7,235	95,198	16,426
" - - 23	55,407	6,470	7,704	87,326	27,081
March - - 1	73,491	6,031	7,565	89,634	22,190
" - - 8	65,190	5,393	7,655	100,966	25,146
" - - 15	62,018	9,206	3,982	90,866	13,148
" - - 22	54,090	3,801	6,044	90,776	9,122
" - - 29	67,110	4,525	3,593	104,484	12,577
April - - 5	66,504	4,772	5,737	92,810	5,500
" - - 12	67,584	5,830	6,415	83,770	19,128
" - - 19	58,830	5,845	8,477	99,407	25,155
" - - 26	65,519	4,732	8,468	98,577	30,066
May - - 3	68,203	6,466	8,337	80,304	22,034
" - - 10	67,618	6,222	6,949	93,003	20,613
" - - 17	53,330	5,961	9,255	87,567	14,753
" - - 24	54,293	7,201	6,358	90,875	18,951
" - - 31	72,514	3,088	7,532	99,615	8,022
June - - 7	72,874	4,342	6,730	91,939	13,961
" - - 14	57,425	3,903	6,376	99,518	12,058
" - - 21	48,368	3,631	4,569	83,002	20,969
" - - 28	61,341	4,293	5,121	87,556	14,701
July - - 5	66,838	3,606	6,472	111,933	17,864
" - - 12	71,339	3,802	6,566	101,416	19,513
" - - 19	60,030	3,436	7,964	92,800	16,270
" - - 26	71,089	3,045	7,111	109,370	12,458
August - - 2	72,957	5,812	7,280	96,963	13,966
" - - 9	76,354	3,162	7,400	91,786	5,767
" - - 16	67,519	3,264	6,295	100,667	4,069
" - - 23	61,527	5,381	4,284	91,690	7,672
" - - 30	84,194	5,970	5,592	89,671	9,166
September - 6	74,145	8,144	8,608	89,282	21,949
" - - 13	73,083	5,843	5,386	81,251	14,323
" - - 20	68,174	4,688	7,207	86,369	12,643
" - - 27	73,799	5,254	7,174	96,304	6,025
October - - 4	74,994	5,519	9,512	99,669	9,339
" - - 11	80,448	5,233	6,875	99,969	7,612
" - - 18	64,878	7,705	5,867	109,158	11,681
" - - 25	65,906	3,021	7,687	94,121	20,155
November - 1	79,655	3,888	5,561	105,136	11,130
" - - 8	77,443	2,679	10,150	81,358	16,520
" - - 15	78,866	3,105	5,783	84,443	16,745
" - - 22	68,578	2,993	4,319	83,449	10,824
" - - 29	82,094	3,653	4,341	79,616	8,033
December - 6	85,099	3,910	5,806	85,138	12,782
" - - 13	72,679	6,882	3,871	88,758	6,405
" - - 20	60,473	3,921	5,367	81,756	12,870
" - - 27	71,034	5,396	2,877	86,701	15,774
Average - £.	67,973	4,839	6,438	93,018	14,826

Bank of England,
25 February 1857.

BILLS, during the Year 1856; distinguishing the Amount from each BRANCH.
the Committee on Commercial Distress, 1848.)

Leeds.	Newcastle.	Hull.	Plymouth.	Portsmouth.	Leicester.	Date.
£.	£.	£.	£.	£.	£.	1856:
5,750	31,976	10,927	6,164	3,643	2,380	5 January.
6,545	34,820	8,865	5,534	4,405	4,373	12 „
6,140	35,522	7,538	4,504	3,615	802	19 „
6,204	30,965	6,689	3,523	2,720	2,022	26 „
6,697	44,080	7,858	5,009	4,427	3,227	2 February.
2,402	36,123	7,187	5,390	5,338	1,715	9 „
4,829	37,917	7,641	6,923	7,581	1,907	16 „
6,940	29,992	6,138	6,072	5,541	2,213	23 „
5,152	41,978	6,000	4,654	5,751	2,820	1 March.
5,347	40,446	7,336	4,794	5,280	1,276	8 „
6,086	33,877	5,226	5,369	5,016	951	15 „
5,563	42,063	5,022	4,041	5,804	1,343	22 „
5,331	37,260	5,890	3,081	5,579	3,380	29 „
6,033	36,983	11,764	4,080	5,755	2,554	5 April.
6,686	35,799	8,906	3,302	5,058	1,328	12 „
5,221	32,492	11,162	5,005	2,737	917	19 „
5,635	36,765	10,274	3,075	2,993	1,755	26 „
8,977	33,516	9,581	3,888	5,019	2,401	3 May.
4,770	40,168	8,275	3,294	4,664	2,061	10 „
5,859	37,827	9,085	4,839	3,329	1,301	17 „
5,046	34,255	10,212	6,030	3,516	3,544	24 „
4,109	34,826	8,541	4,674	4,181	2,117	31 „
6,263	37,382	9,934	2,160	5,015	1,897	7 June.
5,972	42,914	10,032	3,306	4,393	793	14 „
4,836	36,758	10,172	2,904	5,595	1,240	21 „
6,495	38,031	9,652	4,523	4,388	1,081	28 „
5,636	29,706	8,079	4,934	1,889	2,937	5 July.
7,159	37,020	8,507	5,829	4,927	2,477	12 „
9,161	37,794	9,044	4,967	2,557	1,416	19 „
7,409	31,594	10,402	4,869	4,785	1,945	26 „
11,934	32,593	12,640	4,120	3,615	2,387	2 August.
13,381	42,389	10,790	3,973	4,932	1,940	9 „
10,303	35,790	10,895	6,626	7,460	1,642	16 „
5,351	31,862	12,977	5,063	4,672	1,318	23 „
6,179	36,291	14,280	5,875	5,193	3,959	30 „
4,990	50,257	14,413	5,096	5,838	2,657	6 September.
6,395	38,353	15,087	3,674	3,026	2,407	13 „
6,089	42,444	14,078	3,255	5,023	628	20 „
9,420	42,252	12,417	6,650	5,484	2,282	27 „
8,298	52,322	12,265	4,610	5,202	3,279	4 October.
9,154	44,796	15,535	3,910	6,021	1,047	11 „
6,189	44,945	15,691	6,535	5,506	3,270	18 „
7,849	43,938	15,932	6,363	5,700	2,712	25 „
6,389	43,428	15,214	2,584	6,847	1,501	1 November.
4,559	42,244	13,213	4,557	3,408	4,948	8 „
3,532	41,759	12,744	4,315	4,855	6,230	15 „
5,243	37,069	14,199	4,151	5,108	2,377	22 „
5,089	40,628	10,598	5,064	4,065	2,382	29 „
7,101	34,808	14,130	4,246	4,948	1,232	6 December.
4,955	30,865	12,751	4,031	3,742	663	13 „
6,815	41,651	9,013	3,484	4,228	1,087	20 „
4,385	32,909	8,240	3,230	3,025	199	27 „
6,382	37,970	10,443	4,580	4,681	2,121	£. - AVERAGE.

M. Marshall,
Chief Cashier.

Appendix, No. 5. - - - - - - - -

Appendix, No. 19, to Report from the

A Weekly Statement of the Circulation of Branch Bank Notes during

1847:	Gloucester.	Manchester.	Swansea.	Birmingham.	Liverpool.	Bristol.
	£.	£.	£.	£.	£.	£.
January - 2	74,495	2,375,020	106,535	609,115	1,145,965	433,710
„ - 9	78,370	2,400,120	109,155	608,440	1,190,830	436,870
„ - 16	80,290	2,310,935	109,865	635,330	1,162,630	445,435
„ - 23	78,420	2,303,040	106,840	642,055	1,215,160	440,715
„ - 30	79,470	2,398,665	106,180	641,380	1,196,740	453,725
February - 6	79,445	2,337,720	105,310	632,090	1,151,430	440,480
„ - 13	81,005	2,252,530	108,700	635,150	1,178,680	443,160
„ - 20	77,935	2,168,060	107,170	626,795	1,249,090	451,730
„ - 27	79,910	2,277,695	104,865	633,145	1,209,680	439,065
March - 6	74,460	2,220,430	104,270	632,400	1,222,455	441,720
„ - 13	74,750	2,168,205	104,755	641,680	1,222,475	452,265
„ - 20	75,905	2,169,695	110,350	642,035	1,175,780	451,545
„ - 27	75,725	2,244,925	109,050	654,240	1,227,885	456,920
April - 3	77,890	2,261,420	110,865	672,615	1,204,505	457,060
„ - 10	79,850	2,306,840	113,250	692,115	1,284,490	458,740
„ - 17	79,480	2,216,615	110,735	686,555	1,230,490	461,435
„ - 24	78,015	2,240,120	106,840	687,005	1,176,265	457,090
May - 1	78,385	2,269,850	107,025	689,765	1,154,535	450,720
„ - 8	76,290	2,245,960	109,160	677,935	1,198,980	446,935
„ - 15	75,060	2,205,275	109,035	687,990	1,179,380	429,265
„ - 22	73,485	2,145,395	104,285	672,785	1,088,560	427,640
„ - 29	71,115	2,095,500	101,080	665,405	1,050,720	417,205
June - 5	72,455	2,101,185	103,525	665,065	1,028,725	406,055
„ - 12	72,615	2,004,150	102,110	648,560	1,002,835	409,310
„ - 19	72,020	1,961,865	102,395	655,860	1,080,630	400,800
„ - 26	71,555	2,041,500	103,430	645,665	1,034,635	405,690
July - 3	71,750	2,046,710	103,845	654,880	990,270	400,745
„ - 10	69,105	2,096,490	104,285	662,985	1,005,120	389,985
„ - 17	69,960	2,120,070	104,500	669,635	1,006,890	397,580
„ - 24	70,755	2,079,090	101,710	669,705	1,066,070	400,905
„ - 31	71,370	2,162,875	101,320	659,005	1,076,650	399,540
August - 7	69,885	2,162,520	102,920	655,910	1,001,470	399,400
„ - 14	67,080	2,067,580	104,835	649,170	965,405	390,285
„ - 21	66,665	1,983,450	104,215	649,015	1,006,045	398,085
„ - 28	65,980	2,047,985	102,355	650,285	1,015,575	396,795
September 4	67,185	1,978,515	106,895	655,370	1,011,960	393,085
„ - 11	67,725	1,989,525	108,925	636,865	979,415	399,930
„ - 18	67,185	1,945,550	106,555	648,640	983,805	392,205
„ - 25	69,750	2,014,065	109,605	642,810	1,005,335	408,680
October - 2	67,150	2,027,265	112,215	657,710	1,105,540	421,435
„ - 9	64,500	2,090,745	115,190	651,310	1,097,220	414,865
„ - 16	63,425	2,070,070	113,595	674,035	1,176,455	416,975
„ - 23	64,805	2,131,300	113,330	678,330	1,373,320	427,850
, - 30	66,630	2,221,150	114,540	702,020	1,272,335	419,675
November 6	63,895	2,146,365	115,345	692,130	1,253,825	416,605
„ - 13	63,600	2,072,360	111,200	699,125	1,192,520	414,390
„ - 20	64,535	2,001,025	106,770	666,490	1,169,030	423,525
„ - 27	63,265	1,998,840	104,015	669,165	1,091,435	409,715
December 4	63,865	1,955,965	101,400	664,720	1,076,015	409,985
„ - 11	74,665	1,864,650	100,900	666,770	1,005,420	398,085
„ - 18	72,100	1,859,140	99,995	662,805	1,007,920	382,635
„ - 24	67,480	1,855,235	97,720	657,950	973,360	379,770
Average - £.	71,980	2,129,060	106,630	658,230	1,118,690	421,500

Bank of England,
15 January 1848.

- - - - - - - - Appendix, No. 5.

Select Committee on Commercial Distress, 1848.

the Year 1847; distinguishing the AMOUNT from each BRANCH BANK.

Leeds.	Newcastle.	Hull.	Norwich.	Plymouth.	Portsmouth.	Leicester.	1847:
£.	£.	£.	£.	£.	£.	£.	
418,065	718,685	130,860	10,555	323,290	325,795	173,685	2 January.
435,350	696,225	131,055	10,835	329,050	330,040	176,790	9 „
434,690	718,355	131,655	9,435	339,560	335,495	178,230	16 „
431,495	746,830	122,925	9,990	343,905	333,300	177,375	23 „
413,150	737,865	125,135	9,595	346,145	327,895	180,165	30 „
431,855	726,005	120,485	9,815	342,915	323,135	174,140	6 February.
414,800	718,255	112,905	9,475	334,235	324,595	167,245	13 „
399,625	709,700	112,860	10,105	331,690	322,830	164,955	20 „
386,830	712,995	109,730	10,005	326,530	316,965	173,190	27 „
407,940	713,090	112,010	10,295	322,330	312,900	170,540	6 March.
409,555	743,620	112,170	8,985	321,730	314,875	170,540	13 „
396,135	754,235	116,200	14,935	321,275	316,075	174,565	20 „
392,245	747,770	110,950	12,985	323,950	320,615	180,495	27 „
397,160	733,630	135,350	12,885	334,955	337,730	186,005	3 April.
419,015	742,925	128,245	11,570	345,515	344,275	182,205	10 „
409,000	737,545	123,955	12,515	342,400	341,595	181,235	17 „
400,825	751,960	125,345	11,460	350,860	335,375	178,185	24 „
388,825	759,895	124,900	10,380	345,395	336,940	179,310	1 May.
390,395	769,470	123,950	9,265	336,945	335,650	183,430	8 „
373,375	752,280	116,005	9,945	325,070	333,340	178,970	15 „
359,435	737,125	119,535	10,580	319,815	322,735	171,805	22 „
345,895	714,745	112,310	11,305	308,130	318,120	177,715	29 „
351,360	712,805	108,270	10,690	304,230	315,015	172,910	5 June.
349,750	696,055	102,980	10,655	303,785	312,645	166,670	12 „
336,940	688,890	98,045	10,430	296,555	304,920	169,070	19 „
326,505	678,600	96,945	9,765	293,660	301,880	166,465	26 „
327,350	692,735	97,425	10,150	299,860	312,105	171,115	3 July.
359,225	686,945	98,020	10,335	302,605	328,475	165,480	10 „
354,875	694,055	101,025	11,825	302,165	325,965	163,910	17 „
334,160	681,870	105,835	8,840	299,205	322,825	161,590	24 „
326,210	687,225	105,600	9,595	297,505	320,905	162,405	31 „
327,615	693,210	101,760	9,140	291,655	315,665	162,335	7 August.
319,720	693,360	99,605	8,895	285,930	314,175	162,925	14 „
308,850	682,635	99,305	7,755	284,160	306,830	155,610	21 „
291,115	673,255	100,200	8,435	281,030	302,855	153,410	28 „
282,345	668,515	101,050	8,470	279,945	304,895	153,995	4 September.
292,405	687,655	102,260	7,650	290,350	307,570	154,905	11 „
295,190	696,355	104,425	7,890	281,755	302,435	158,290	18 „
288,055	695,850	99,490	7,670	285,285	303,420	151,740	25 „
297,915	714,320	98,610	9,020	296,405	319,190	158,800	2 October.
314,080	735,585	103,640	11,005	304,460	322,145	161,980	9 „
320,135	760,460	110,820	9,890	305,390	318,680	160,915	16 „
334,215	946,265	116,710	11,260	314,720	318,665	164,165	23 „
361,745	934,620	114,415	13,215	316,205	325,935	164,235	30 „
349,285	897,930	116,400	14,060	314,335	313,720	166,510	6 November.
352,080	871,125	114,875	14,285	304,920	308,700	161,125	13 „
342,705	853,605	115,980	14,325	302,780	307,390	162,925	20 „
334,235	843,495	111,105	13,930	298,385	297,195	160,155	27 „
339,855	835,750	113,315	13,560	292,160	299,365	162,170	4 December.
355,650	804,290	108,170	10,365	288,920	293,765	161,775	11 „
336,385	790,635	114,445	9,405	284,940	287,655	158,815	18 „
333,340	775,350	106,765	9,350	277,945	276,000	159,850	24 „
359,600	742,630	112,040	10,550	311,480	317,330	168,020	£. - AVERAGE.

M. Marshall,
Chief Cashier.

A Weekly Statement of the Circulation of Branch Bank Notes during
(In continuation of Appendix, No. 19, to the Report from the

DATE.	Manchester.	Swansea.	Birmingham.	Liverpool.	Bristol.
1856:	£.	£.	£.	£.	£.
January - - 5	2,692,765	94,880	665,200	892,470	396,875
„ - - 12	2,633,670	97,210	694,300	930,315	413,560
„ - - 19	2,618,740	93,030	692,175	930,365	401,760
„ - - 26	2,690,580	95,840	679,530	917,535	402,155
February - 2	2,644,345	93,570	669,910	904,690	407,575
„ - - 9	2,622,000	93,190	690,545	877,045	398,900
„ - - 16	2,607,965	91,880	670,140	895,250	385,985
„ - - 23	2,527,290	92,140	672,430	908,590	377,870
March - - 1	2,677,670	90,940	673,205	968,465	393,515
„ - - 8	2,686,255	89,685	665,175	867,600	391,690
„ - - 15	2,644,175	88,515	659,605	838,720	377,970
„ - - 22	2,640,560	88,995	674,175	854,205	397,965
„ - - 29	2,834,980	90,655	675,240	864,465	422,030
April - - 5	2,815,860	93,115	675,655	879,070	461,820
„ - - 12	2,781,190	94,815	689,885	902,235	458,360
„ - - 19	2,787,260	97,235	693,990	911,195	448,025
„ - - 26	2,853,330	96,725	691,510	910,700	461,955
May - - 3	2,855,505	95,675	696,060	918,860	484,665
„ - - 10	2,822,935	95,865	691,225	832,195	461,390
„ - - 17	2,599,035	96,290	679,940	870,405	450,795
„ - - 24	2,683,305	94,690	690,090	821,060	431,695
„ - - 31	2,868,690	94,120	674,510	850,990	419,985
June - - 7	2,794,625	93,775	660,930	735,435	429,915
„ - - 14	2,658,680	92,875	661,500	766,190	422,480
„ - - 21	2,660,165	89,700	654,005	844,340	431,115
„ - - 28	2,803,395	93,205	656,675	908,080	412,665
July - - 5	2,845,675	96,335	661,645	850,395	432,465
„ - - 12	2,839,370	99,595	701,120	836,025	426,275
„ - - 19	2,820,485	102,745	689,055	933,895	421,365
„ - - 26	2,907,115	102,955	681,345	910,875	421,870
August - - 2	2,900,380	99,680	682,400	846,725	423,610
„ - - 9	2,836,385	97,045	663,060	844,965	408,985
„ - - 16	2,810,035	95,640	662,240	912,245	404,890
„ - - 23	2,811,775	96,735	668,670	833,120	403,020
„ - - 30	2,945,420	93,105	666,525	904,980	395,295
September - 6	2,894,145	93,005	657,565	781,935	420,605
„ - - 13	2,809,330	96,320	654,065	774,170	405,965
„ - - 20	2,831,515	97,250	655,270	800,125	418,940
„ - - 27	2,992,550	99,615	665,645	836,455	425,500
October - - 4	3,000,945	105,705	690,090	825,085	462,525
„ - - 11	2,745,770	102,530	705,885	989,590	468,550
„ - - 18	2,836,485	104,280	719,870	870,710	486,345
„ - - 25	2,730,600	100,090	715,100	844,160	466,970
November - 1	2,888,845	98,465	707,295	877,470	467,710
„ - - 8	2,949,245	98,495	696,475	734,140	448,115
„ - - 15	2,803,555	97,020	682,200	796,380	445,155
„ - - 22	2,693,440	97,620	675,715	751,040	428,950
„ - - 29	2,824,085	93,845	663,545	812,065	416,985
December - 6	2,769,995	93,725	654,145	754,680	425,645
„ - - 13	2,661,025	94,110	655,720	760,560	416,865
„ - - 20	2,585,115	94,065	653,455	821,060	409,175
„ - - 27	2,729,655	92,560	649,115	804,060	405,385
Average - - £.	2,768,613	95,599	676,438	855,911	424,997

Bank of England,
25 February 1857.

the Year 1856; distinguishing the Amount from each BRANCH BANK.
Select Committee on Commercial Distress, 1848.)

Leeds.	Newcastle.	Hull.	Plymouth.	Portsmouth.	Leicester.	DATE.
£.	£.	£.	£.	£.	£.	1856:
467,490	772,960	104,765	299,905	344,315	186,840	5 January.
461,975	787,775	111,285	303,490	345,385	180,650	12 „
448,655	825,570	112,560	298,070	340,245	170,375	19 „
427,490	809,350	106,345	302,615	335,970	170,595	26 „
430,640	803,220	105,560	299,220	353,180	177,380	2 February.
410,065	774,800	101,540	284,215	345,435	173,765	9 „
446,995	757,520	107,765	283,105	340,745	167,435	16 „
418,055	765,675	104,330	275,180	328,380	171,795	23 „
419,805	761,990	107,145	277,445	336,350	179,830	1 March.
423,250	750,715	112,790	272,750	329,040	172,410	8 „
440,290	747,500	106,845	268,780	323,435	171,990	15 „
420,020	739,630	104,645	272,345	320,935	177,300	22 „
406,240	762,045	109,930	277,220	332,070	191,820	29 „
427,990	771,715	112,880	291,820	352,620	196,015	5 April.
443,655	777,150	112,070	295,465	352,700	201,045	12 „
429,610	785,870	109,740	293,295	348,125	196,745	19 „
414,030	791,155	108,905	292,780	347,850	222,935	26 „
406,765	791,550	108,655	290,725	352,175	230,700	3 May.
436,125	810,795	104,595	286,990	349,930	237,830	10 „
440,390	802,425	100,255	284,895	344,135	221,740	17 „
427,420	795,650	100,505	281,655	335,540	217,560	24 „
409,245	772,450	104,295	276,415	338,795	206,465	31 „
442,720	758,745	105,915	271,400	342,600	209,125	7 June.
442,380	746,205	108,015	270,025	347,915	197,160	14 „
445,640	755,110	106,195	268,275	346,555	205,430	21 „
426,475	739,290	113,040	271,730	353,985	219,625	28 „
439,785	768,065	110,585	274,595	360,410	209,335	5 July.
467,650	745,540	109,525	285,040	369,300	203,615	12 „
457,130	740,535	117,870	289,145	362,130	205,275	19 „
442,155	744,775	114,365	286,830	362,470	196,255	26 „
428,525	754,040	121,185	284,375	366,515	197,620	2 August.
424,300	737,035	109,350	273,740	366,660	194,015	9 „
440,815	757,780	111,600	282,495	358,915	191,700	16 „
425,000	753,335	119,720	283,065	370,090	189,555	23 „
417,340	766,640	118,490	274,885	361,055	194,965	30 „
412,535	767,210	119,820	274,615	360,970	188,930	6 September.
440,015	777,420	121,685	271,560	364,310	190,955	13 „
455,245	774,300	122,690	275,290	361,890	186,695	20 „
462,380	784,140	136,715	277,065	357,425	214,125	27 „
490,750	785,665	137,725	291,350	385,390	217,940	4 October.
461,280	784,730	136,100	295,800	384,875	212,870	11 „
491,050	784,715	132,815	294,385	377,195	218,710	18 „
463,340	781,740	127,275	290,035	371,760	220,510	25 „
451,535	784,410	120,605	287,040	360,695	213,360	1 November.
439,415	776,065	127,435	282,230	354,915	207,090	8 „
456,105	763,760	125,670	275,135	343,615	197,200	15 „
455,970	765,790	136,425	271,030	349,200	201,660	22 „
425,555	749,040	136,200	260,180	346,810	211,590	29 „
417,410	731,600	138,405	258,345	336,615	203,375	6 December.
431,070	714,130	132,875	259,380	329,885	189,880	13 „
450,320	707,805	126,920	249,005	325,275	183,140	20 „
433,070	694,910	128,990	248,870	328,100	192,670	27 „
438,322	766,385	115,992	280,486	350,093	197,838	£. - AVERAGE.

M. Marshall,
Chief Cashier.

Appendix, No. 6.

APPENDIX, No. 14, to Report from the Select Committee on COMMERCIAL DISTRESS, 1848.

RETURN of the several RATES at which the BANK of ENGLAND has advanced MONEY on LOAN with and the Amount of Money advanced under each such

——	At 1¾ per Cent.	At 2 per Cent.	At 2¼ per Cent.	At 2½ per Cent.	At 3 per Cent.	At 3¼ per Cent.	At 3½ per Cent.	At 4 per Cent.	At 4½ per Cent.	At 4½ per Cent.
1844:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
March 30	- -	- -	- -	- -	100,000	- -	- -	- -	- -	- -
April 6	- -	- -	- -	- -	259,000	- -	- -	- -	- -	- -
June 15	- -	- -	- -	- -	213,000	- -	- -	- -	- -	- -
22	- -	- -	- -	- -	120,000	- -	- -	- -	- -	- -
29	- -	- -	- -	- -	833,000	- -	- -	- -	- -	- -
July 6	- -	- -	- -	- -	429,000	- -	- -	- -	- -	- -
August 31	250,000	- -	- -	- -	- -	- -	- -	- -	- -	- -
Sept. 14	300,000	45,000	- -	- -	5,000	- -	- -	- -	- -	- -
21	- -	411,000	180,000	- -	- -	- -	- -	- -	- -	- -
28	- -	- -	512,000	70,000	379,000	- -	- -	- -	- -	- -
October 5	- -	- -	105,000	- -	553,700	- -	- -	- -	- -	- -
12	- -	- -	60,000	201,000	- -	- -	- -	- -	- -	- -
19	—	—	—	—	—	—	—	—	—	—
26	- -	- -	145,000	148,000	- -	- -	- -	- -	- -	- -
Nov. 2	- -	- -	- -	70,000	- -	- -	- -	- -	- -	- -
9	—	—	—	—	—	—	—	—	—	—
16	- -	- -	- -	400,000	17,000	- -	- -	- -	- -	- -
23	- -	- -	- -	215,000	3,400	- -	- -	- -	- -	- -
30	- -	- -	- -	414,000	- -	- -	- -	- -	- -	- -
Dec. 7	- -	- -	- -	314,000	- -	- -	- -	- -	- -	- -
14	- -	- -	- -	400,000	- -	- -	- -	- -	- -	- -
21	- -	- -	- -	715,000	- -	- -	- -	- -	- -	- -
28	- -	- -	- -	625,000	- -	- -	- -	- -	- -	- -
1845:										
January 4	- -	- -	- -	933,000	- -	- -	- -	- -	- -	- -
11	- -	- -	- -	32,000	- -	- -	- -	- -	- -	- -
18	- -	- -	- -	791,800	- -	- -	- -	- -	- -	- -
25	- -	- -	- -	115,000	- -	- -	- -	- -	- -	- -
Feb. 1	- -	- -	- -	173,000	- -	- -	- -	- -	- -	- -
8	- -	- -	- -	1,399,500	- -	- -	- -	- -	- -	- -
15	- -	- -	- -	663,000	- -	- -	- -	- -	- -	- -
22	- -	- -	- -	112,500	- -	- -	- -	- -	- -	- -
March 1	- -	- -	- -	799,600	- -	- -	- -	- -	- -	- -
8	- -	- -	- -	505,000	- -	- -	- -	- -	- -	- -
15	- -	- -	- -	196,500	- -	- -	- -	- -	- -	- -
22	- -	- -	- -	632,000	- -	- -	- -	- -	- -	- -
29	- -	- -	- -	290,900	- -	- -	- -	- -	- -	- -
April 5	- -	- -	- -	158,500	- -	- -	- -	- -	- -	- -
12	- -	- -	- -	18,600	- -	- -	- -	- -	- -	- -
19	- -	- -	- -	75,000	10,000	- -	- -	- -	- -	- -
26	- -	- -	- -	20,000	- -	- -	- -	- -	- -	- -
May 3	- -	- -	- -	314,100	- -	- -	- -	- -	- -	- -
10	- -	- -	- -	459,600	- -	- -	- -	- -	- -	- -
17	- -	- -	- -	320,500	10,000	- -	- -	- -	- -	- -
24	- -	- -	- -	66,000	- -	- -	- -	- -	- -	- -
31	- -	- -	- -	473,000	- -	- -	- -	- -	- -	- -
June 7	- -	- -	- -	187,600	- -	- -	- -	- -	- -	- -
14	- -	- -	- -	144,000	- -	- -	- -	- -	- -	- -
21	- -	- -	- -	740,000	- -	- -	- -	- -	- -	- -
28	- -	- -	- -	296,000	10,000	- -	- -	- -	- -	- -

Appendix, No. 6.

Appendix, No. 14, to Report from the Select Committee on Commercial Distress, 1848.

the Date at which each such Rate has been established, and the Period during which it has prevailed, Rate, from the 1st of January 1844 to the 1st of January 1848.

At 5 per Cent.	At 5¼ per Cent.	At 5½ per Cent.	At 6 per Cent.	At 6¼ per Cent.	At 6½ per Cent.	At 7 per Cent.	At 8 per Cent.	At 8½ per Cent.	At 9 per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	100,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	259,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	213,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	120,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	833,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	429,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	250,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	350,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	591,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	961,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	658,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	261,000
—	—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	293,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	70,000
—	—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	417,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	218,400
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	414,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	314,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	400,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	715,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	625,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	933,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	32,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	791,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	115,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	173,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,399,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	663,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	112,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	799,600
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	505,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	196,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	632,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	290,900
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	158,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	18,600
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	85,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	20,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	314,100
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	459 600
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	330,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	66,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	473,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	187,600
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	144,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	740,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	306,000

(continued)

RETURN of the several Rates at which the Bank of *England* has advanced Money on Loan,

	At 1¾ per Cent.	At 2 per Cent.	At 2¼ per Cent.	At 2½ per Cent.	At 3 per Cent.	At 3½ per Cent.	At 3½ per Cent.	At 4 per Cent.	At 4½ per Cent.	At 4½ per Cent.
1845—*cont*ᵈ.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
July 5	- -	- -	- -	194,000	- -	- -	- -	- -	- -	- -
12	- -	- -	- -	7,000	- -	- -	- -	- -	- -	- -
19	- -	- -	- -	250,000	- -	- -	- -	- -	- -	- -
26	- -	- -	- -	64,300	- -	- -	- -	- -	- -	- -
August 2	- -	- -	- -	754,800	10,000	- -	- -	- -	- -	- -
9	- -	- -	- -	108,000	- -	- -	- -	- -	- -	- -
16	- -	- -	- -	76,000	- -	- -	- -	- -	- -	- -
23	- -	- -	- -	30,800	- -	- -	- -	- -	- -	- -
30	- -	- -	- -	127,000	- -	- -	- -	- -	- -	- -
Sept. 6	- -	- -	- -	291,000	- -	- -	- -	- -	- -	- -
13	- -	- -	- -	328,000	- -	- -	- -	- -	- -	- -
20	- -	- -	- -	355,500	- -	- -	- -	- -	- -	- -
27	- -	- -	- -	419,000	10,000	- -	- -	- -	- -	- -
October 4	- -	- -	- -	269,500	- -	- -	- -	- -	- -	-
11	- -	- -	- -	63,900	- -	- -	- -	- -	- -	- -
18	- -	- -	- -	59,000	37,000	- -	- -	- -	- -	- -
25	—	—	—	—	—	—	—	—	—	—
Nov. 1	- -	- -	- -	- -	119,000	- -	- -	- -	- -	- -
8	- -	- -	- -	- -	15,000	- -	153,700	- -	- -	- -
15	- -	- -	- -	- -	- -	- -	404,900	- -	- -	- -
22	- -	- -	- -	- -	- -	- -	92,000	- -	- -	- -
29	- -	- -	- -	- -	- -	- -	223,000	- -	- -	- -
Dec. 6	- -	- -	- -	- -	- -	- -	261,000	- -	- -	- -
13	- -	- -	- -	- -	- -	- -	142,700	- -	- -	- -
20	- -	- -	- -	- -	- -	- -	161,800	- -	- -	- -
27	- -	- -	- -	- -	- -	- -	20,000	- -	- -	- -
1846 :										
January 3	- -	- -	- -	- -	- -	- -	53,500	- -	- -	- -
10	- -	- -	- -	- -	- -	- -	40,900	- -	- -	- -
17	- -	- -	- -	- -	- -	- -	494,000	- -	- -	- -
24	- -	- -	- -	- -	- -	- -	1,675,900	- -	- -	- -
31	- -	- -	- -	- -	- -	- -	1,568,000	- -	- -	- -
Feb. 7	- -	- -	- -	- -	- -	- -	982,700	- -	- -	- -
14	- -	- -	- -	- -	- -	- -	683,900	- -	- -	- -
21	- -	- -	- -	- -	- -	- -	1,221,600	- -	- -	- -
28	- -	- -	- -	- -	- -	- -	639,300	- -	- -	- -
March 7	- -	- -	- -	- -	- -	- -	387,500	- -	- -	- -
14	- -	- -	- -	- -	- -	- -	535,500	- -	- -	- -
21	- -	- -	- -	- -	- -	- -	517,700	- -	- -	- -
28	- -	- -	- -	- -	- -	- -	517,400	- -	- -	- -
April 4	- -	- -	- -	- -	- -	- -	118,800	- -	- -	- -
11	- -	- -	- -	- -	- -	- -	456,000	- -	- -	- -
18	- -	- -	- -	- -	- -	- -	210,300	- -	- -	- -
25	- -	- -	- -	- -	- -	- -	250,500	- -	- -	- -
May 2	- -	- -	- -	- -	- -	- -	403,000	- -	- -	- -
9	- -	- -	- -	- -	- -	- -	19,000	- -	- -	- -
16	- -	- -	- -	- -	- -	- -	716,700	- -	- -	- -
23	- -	- -	- -	- -	- -	- -	559,600	- -	- -	- -
30	- -	- -	- -	- -	- -	- -	638,800	- -	- -	- -
June 6	- -	- -	- -	- -	- -	- -	490,400	- -	- -	- -
13	- -	- -	- -	- -	- -	- -	605,200	- -	- -	- -
20	- -	- -	- -	- -	- -	- -	392,300	- -	- -	- -
27	- -	- -	- -	- -	- -	- -	639,900	- -	- -	- -
July 4	- -	- -	- -	- -	- -	- -	361,200	- -	- -	- -
11	- -	- -	- -	- -	- -	- -	317,700	- -	- -	- -
18	- -	- -	- -	- -	- -	- -	99,800	- -	- -	- -
25	- -	- -	- -	- -	- -	- -	16,000	- -	- -	- -

with the Date at which each such Rate has been established, &c.—*continued.*

At 5 per Cent.	At 5¼ per Cent.	At 5½ per Cent.	At 6 per Cent.	At 6¼ per Cent.	At 6½ per Cent.	At 7 per Cent.	At 8 per Cent.	At 8½ per Cent.	At 9 per Cent.	TOTAL.
£.	£.	£.	£	£.	£.	£.	£.	£.	£.	£.
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	194,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	7,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	250,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	64,300
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	764,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	108,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	76,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	30,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	127,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	291,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	328,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	355,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	429,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	269,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	63,900
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	96,000
—	—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	119,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	168,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	404,900
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	92,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	223,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	261,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	142,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	161,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	20,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	53,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	40,900
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	494,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,675,900
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,568,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	982,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	683,900
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,221,600
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	639,300
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	387,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	535,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	517,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	517,400
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	118,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	456,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	210,300
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	250,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	403,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	19,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	716,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	559,600
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	638,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	490,400
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	605,200
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	392,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	639,900
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	361,200
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	317,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	99,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	16,000

RETURN of the several Rates at which the Bank of *England* has advanced Money on Loan,

	At 1¾ per Cent.	At 2 per Cent.	At 2¼ per Cent.	At 2½ per Cent.	At 3 per Cent.	At 3¼ per Cent.	At 3½ per Cent.	At 4 per Cent.	At 4½ per Cent.	At 4½ per Cent.
1846—*cont*[d].	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
August 1	- -	- -	- -	- -	- -	- -	57,000	- -	- -	- -
8	- -	- -	- -	- -	- -	- -	81,600	- -	- -	- -
15	- -	- -	- -	- -	- -	- -	177,100	- -	- -	- -
22	- -	- -	- -	- -	- -	- -	61,500	- -	- -	- -
29	—	—	—	—	—	—	—	—	—	—
Sept. 5	- -	- -	- -	- -	4,700	- -	- -	- -	- -	- -
12	- -	- -	- -	- -	336,800	- -	- -	- -	- -	- -
19	- -	- -	- -	- -	513,700	- -	- -	- -	- -	- -
26	- -	- -	- -	- -	760,100	- -	- -	- -	- -	- -
October 3	- -	- -	- -	- -	1,140,900	- -	- -	- -	- -	- -
10	- -	- -	- -	- -	74,500	- -	- -	- -	- -	- -
17	- -	- -	- -	- -	26,400	- -	- -	- -	- -	- -
24	- -	- -	- -	- -	31,300	- -	- -	- -	- -	- -
31	- -	- -	- -	- -	55,300	- -	- -	- -	- -	- -
Nov. 7	- -	- -	- -	- -	126,800	- -	- -	- -	- -	- -
14	- -	- -	- -	- -	80,000	- -	- -	- -	- -	- -
21	- -	- -	- -	- -	422,800	- -	- -	- -	- -	- -
28	- -	- -	- -	- -	121,700	- -	- -	- -	- -	- -
Dec. 5	- -	- -	- -	- -	98,700	- -	- -	- -	- -	- -
12	- -	- -	- -	- -	113,500	- -	2,000	- -	- -	- -
19	- -	- -	- -	- -	213,400	15,000	3,000	- -	- -	- -
26	- -	- -	- -	- -	433,400	- -	- -	- -	- -	- -
1847:										
Jan. 2	- -	- -	- -	- -	324,000	- -	- -	- -	- -	- -
9	- -	- -	- -	- -	130,100	7,000	- -	- -	- -	- -
16	- -	- -	- -	- -	232,700	4,000	43,400	- -	- -	- -
23	- -	- -	- -	- -	- -	- -	92,100	10,300	- -	- -
30	- -	- -	- -	- -	- -	- -	- -	65,600	- -	- -
Feb. 6	- -	- -	- -	- -	- -	- -	- -	55,500	2,600	- -
13	- -	- -	- -	- -	- -	- -	- -	338,300	19,400	400
20	- -	- -	- -	- -	- -	- -	- -	66,400	- -	- -
27	- -	- -	- -	- -	- -	- -	- -	229,000	13,800	1,400
March 6	- -	- -	- -	- -	- -	- -	- -	495,200	43,700	2,900
13	- -	- -	- -	- -	- -	- -	- -	173,200	7,700	- -
20	- -	- -	- -	- -	- -	- -	- -	196,700	- -	5,000
27	- -	- -	- -	- -	- -	- -	- -	182,300	- -	3,800
April 3	- -	- -	- -	- -	- -	- -	- -	240,500	- -	6,500
10	- -	- -	- -	- -	- -	- -	- -	85,700	- -	14,000
17	—	—	—	—	—	—	—	—	—	—
24	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
May 1	—	—	—	—	—	—	—	—	—	—
8	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
15	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
22	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
29	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
June 5	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
12	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
19	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
26	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -

with the Date at which each such Rate has been established, &c.—*continued.*

At 5 per Cent.	At 5¼ per Cent.	At 5½ per Cent.	At 6 per Cent.	At 6¼ per Cent.	At 6½ per Cent.	At 7 per Cent.	At 8 per Cent.	At 8½ per Cent.	At 9 per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	57,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	81,600
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	177,100
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	61,500
—	—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	4,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	336,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	513,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	760,100
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,140,900
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	74,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	26,400
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	31,300
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	55,300
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	126,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	80,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	422,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	121,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	98,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	115,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	231,400
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	433,400
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	324,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	137,100
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	280,100
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	102,400
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	65,600
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	58,100
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	358,100
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	66,400
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	244,200
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	541,800
2,900	- -	- -	- -	- -	- -	- -	- -	- -	- -	183,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	201,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	186,100
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	247,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	99,700
—	—	—	—	—	—	—	—	—	—	—
25,000	- -	- -	- -	- -	- -	- -	- -	- -	- -	25,000
—	—	—	—	—	—	—	—	—	—	—
240,000	- -	- -	- -	- -	- -	- -	- -	- -	- -	240,000
492,500	- -	50,000	- -	- -	- -	- -	- -	- -	- -	542,500
471,500	- -	100,000	- -	- -	- -	- -	- -	- -	- -	571,500
735,400	59,700	13,200	- -	- -	- -	- -	- -	- -	- -	808,300
469,200	2,500	- -	8,500	- -	- -	- -	- -	- -	- -	480,200
875,500	- -	- -	7,200	- -	- -	- -	- -	- -	- -	882,700
476,500	- -	- -	- -	- -	- -	- -	- -	- -	- -	476,500
651,500	- -	- -	- -	- -	- -	- -	- -	- -	- -	651,500

(continued)

RETURN of the several Rates at which the Bank of *England* has advanced Money on Loan,

	At 1¾ per Cent.	At 2 per Cent.	At 2¼ per Cent.	At 2½ per Cent.	At 3 per Cent.	At 3¼ per Cent.	At 3½ per Cent.	At 4 per Cent.	At 4¼ per Cent.	At 4½ per Cent.
1847—*cont*ᵈ.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
July 3	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
10	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
17	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
24	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
31	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
August 7	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
14	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
21	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
28	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Sept. 4	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
11	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
18	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
25	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
October 2	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
9	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
16	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
23	—	—	—	—	—	—	—	—	—	—
30	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Nov. 6	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
13	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
20	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
27	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Dec. 4	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
11	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
18	- -	- -	- -	- -	- -	- -	- -	- -	- -	
24	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
1848:										
Jan. 1	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
TOTAL - £.	550,000	456,000	1,002,000	16,886,500	8,373,900	26,000	17,589,900	2,138,700	87,200	34,000

with the Date at which each such Rate has been established, &c.—*continued.*

At 5 per Cent.	At 5¼ per Cent.	At 5½ per Cent.	At 6 per Cent.	At 6¼ per Cent.	At 6½ per Cent.	At 7 per Cent.	At 8 per Cent.	At 8½ per Cent.	At 9 per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
496,500	- -	- -	- -	- -	- -	- -	- -	- -	- -	496,500
626,500	- -	- -	- -	- -	- -	- -	- -	- -	- -	626,500
261,000	- -	- -	- -	- -	- -	- -	- -	- -	- -	261,000
60,500	- -	- -	- -	- -	- -	- -	- -	- -	-	60,500
329,500	- -	- -	- -	- -	- -	- -	- -	- -	- -	329,500
374,500	- -	396,800	- -	- -	- -	- -	- -	- -	- -	771,300
- -	- -	443,700	- -	- -	- -	- -	- -	- -	- -	443,700
- -	- -	317,600	- -	- -	- -	- -	- -	- -	- -	317,600
- -	- -	1,036,000	6,000	- -	- -	- -	- -	- -	- -	1,042,000
1,098,000	- -	68,900	7,400	- -	- -	- -	- -	- -	- -	1,174,300
1,225,400	- -	5,000	- -	- -	- -	- -	- -	- -	- -	1,230,400
978,300	- -	25,700	150,000	- -	- -	- -	- -	- -	- -	1,154,000
1,101,100	6,500	5,500	- -	- -	- -	- -	- -	- -	- -	1,113,100
303,200	- -	590,700	- -	- -	- -	- -	- -	- -	- -	893,900
10,000	- -	324,000	- -	- -	- -	- -	- -	- -	- -	334,000
- -	- -	3,000	- -	- -	- -	329,400	- -	- -	- -	332,400
—	—	—	—	—	—	—	—	—	—	—
15,000	- -	- -	- -	- -	- -	- -	644,600	10,800	- -	670,400
- -	- -	- -	- -	- -	- -	- -	41,900	286,900	43,000	371,800
- -	- -	- -	- -	- -	- -	- -	- -	324,800	- -	324,800
- -	- -	- -	- -	- -	- -	- -	- -	119,600	- -	119,600
- -	- -	- -	- -	- -	- -	62,300	100,000	- -	- -	162,300
- -	- -	- -	30,900	2,300	8,000	102,700	- -	- -	- -	143,900
- -	- -	- -	167,900	- -	4,200	- -	- -	- -	- -	172,100
- -	- -	- -	60,000	- -	3,800	- -	- -	- -	- -	63,800
309,800	3,300	5,000	- -	13,500	- -	- -	- -	- -	- -	331,600
482,400	- -	1,400	- -	- -	- -	- -	- -	- -	- -	483,800
12,111,700	72,000	3,386,500	437,900	15,800	16,000	494,400	786,500	742,100	43,000	65,250,100

RETURN of the several Rates at which the Bank of England has advanced Money on Loan, with the Date at advanced under each such Rate (in continuation of Appendix, No. 14,

——	At 1½ per Cent.	At 2 per Cent.	At 2¼ per Cent.	At 2⅓ per Cent.	At 2¾ per Cent.	At 3 per Cent.	At 3¼ per Cent.	At 3½ per Cent.
1848:	£.	£.	£.	£.	£.	£.	£.	£.
January 8	- -	- -	- -	- -	- -	- - -	- - -	- - -
15	- -	- -	- -	- -	- -	- - -	- - -	- - -
22	- -	- -	- -	- -	- -	- - -	- - -	- - -
29	- -	- -	- -	- -	- -	- - -	- - -	- - -
February 5	- -	- -	- -	- -	- -	- - -	- - -	- - -
12	- -	- -	- -	- -	- -	- - -	- - -	- - -
19	- -	- -	- -	- -	- -	25,000	- - -	- - -
26	- -	- -	- -	- -	- -	200,000	- - -	- - -
March 4	- -	- -	- -	- -	- -	- - -	- - -	- - -
11	- -	- -	- -	- -	- -	- - -	- - -	- - -
18	- -	- -	- -	- -	- -	- - -	- - -	- - -
25	- -	- -	- -	- -	- -	- - -	- - -	- - -
April 1	- -	- -	- -	- -	- -	- - -	- - -	- - -
8	- -	- -	- -	- -	- -	- - -	- - -	- - -
15	- -	- -	- -	- -	- -	- - -	- - -	- - -
22	- -	- -	- -	- -	- -	- - -	- - -	- - -
29	- -	- -	- -	- -	- -	- - -	- - -	- - -
May 6	- -	- -	- -	- -	- -	- - -	- - -	- - -
13	- -	- -	- -	- -	- -	- - -	- - -	- - -
20	- -	- -	- -	- -	- -	- - -	- - -	- - -
27	- -	22,000	- -	- -	- -	7,000	- - -	- - -
June 3	- -	- -	- -	25,000	- -	50,000	- - -	- - -
10	- -	11,500	- -	- -	- -	9,000	33,400	- - -
17	- -	- -	- -	- -	- -	3,300	9,000	- - -
24	- -	- -	- -	- -	- -	47,000	- - -	- - -
July 1	- -	- -	- -	- -	- -	5,000	2,200	- - -
8	- -	- -	- -	- -	- -	20,000	- - -	- - -
15	- -	- -	- -	- -	- -	- - -	- - -	19,000
22	- -	- -	- -	- -	- -	- - -	- - -	5,500
29	- -	- -	- -	- -	- -	- - -	- - -	30,000
August 5	- -	- -	- -	- -	- -	- - -	- - -	10,500
12	- -	- -	- -	- -	- -	- -	- - -	- - -
19	- -	- -	- -	- -	- -	15,000	- - -	6,000
26	- -	- -	- -	- -	- -	15,000	- - -	31,500
Sept. 2	- -	- -	- -	- -	- -	35,000	- - -	3,800
9	- -	- -	- -	- -	- -	37,000	- - -	- - -
16	- -	- -	- -	- -	- -	66,700	7,400	- - -
23	- -	- -	- -	- -	- -	5,000	- - -	- - -
30	- -	- -	- -	- -	- -	195,000	- - -	- - -
October 7	- -	- -	- -	- -	- -	239,500	1,900	- - -
14	- -	- -	- -	- -	- -	2,000	- - -	- - -
21	- -	- -	- -	- -	- -	- - -	- - -	26 ,00
28	- -	- -	- -	- -	- -	- - -	- - -	- - -
Nov. 4	- -	- -	- -	- -	- -	8,000	- - -	- - -
11	- -	- -	- -	- -	- -	- - -	- - -	- - -
18	- -	- -	- -	- -	- -	16,000	- - -	- - -
25	- -	- -	- -	- -	- -	8,000	- - -	- - -
Dec. 2	- -	- -	- -	- -	- -	10,000	- - -	2,000
9	- -	- -	- -	- -	- -	- - -	- - -	4,500
16	- -	- -	- -	- -	- -	3,000	- - -	- - -
23	- -	- -	- -	- -	- -	84,000	- - -	- - -
30	- -	- -	- -	- -	- -	91,500	- - -	- - -
£.	- -	33,500	- -	25,000	- -	1,197,000	53,900	138,800

which each such Rate has been established, and the Period during which it has prevailed, and the Amount of Money to the Report from the Select Committee on Commercial Distress, 1848).

At 4 per Cent.	At 4½ per Cent.	At 4½ per Cent.	At 4¾ per Cent.	At 5 per Cent.	At 5½ per Cent.	At 6 per Cent.	At 6½ per Cent.	At 7 per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- -	- -	- -	71,000	5,000	- -	- -	- -	76,000
- -	- -	- -	- -	345,300	27,900	- -	- -	- -	373,200
- -	- -	- -	- -	51,300	- -	- -	- -	- -	51,300
3,600	- -	- -	- -	15,937	- -	- -	- -	- -	19,537
28,000	3,000	- -	- -	8,320	- -	- -	- -	- -	39,320
31,300	- -	- -	- -	6,600	- -	- -	- -	- -	37,900
155,400	- -	- -	- -	7,860	- -	- -	- -	- -	188,260
20,000	- -	- -	- -	4,300	- -	- -	- -	- -	224,300
138,600	- -	4,700	- -	6,000	- -	- -	- -	- -	149,300
22,000	- -	9,300	- -	3,650	- -	- -	- -	- -	34,950
7,000	3,000	- -	- -	2,100	- -	- -	- -	- -	12,100
2,800	- -	- -	- -	4,150	- -	- -	- -	- -	6,950
29,000	- -	- -	- -	12,670	- -	- -	- -	- -	41,670
58,800	- -	- -	- -	7,350	- -	- -	- -	- -	66,150
36,000	- -	- -	- -	29,780	- -	- -	- -	- -	65,780
2,300	3,200	- -	- -	7,500	- -	- -	- -	- -	13,000
13,300	- -	- -	- -	15,000	- -	- -	- -	- -	28,300
29,500	2,600	- -	- -	5,630	- -	- -	- -	- -	37,730
6,000	- -	- -	- -	21,704	- -	- -	- -	- -	27,704
- -	- -	- -	- -	600	- -	- -	- -	- -	600
44,000	6,000	- -	- -	2,782	- -	- -	- -	- -	81,782
- -	- -	- -	- -	2,550	- -	- -	- -	- -	77,550
- -	- -	- -	- -	3,750	- -	- -	- -	- -	57,650
- -	- -	- -	- -	1,000	- -	- -	- -	- -	13,300
- -	- -	- -	- -	1,000	- -	- -	- -	- -	48,000
- -	- -	- -	- -	1,400	- -	- -	- -	- -	8,600
- -	- -	- -	- -	3,000	- -	- -	- -	- -	23,000
- -	- -	- -	- -	63,200	- -	- -	- -	- -	82,200
2,000	- -	- -	- -	1,900	- -	- -	- -	- -	9,400
- -	- -	- -	- -	2,400	- -	- -	- -	- -	32,400
- -	- -	- -	- -	2,700	- -	- -	- -	- -	13,200
- -	- -	- -	- -	2,800	- -	- -	- -	- -	2,800
24,500	- -	- -	- -	1,800	- -	- -	- -	- -	47,300
- -	- -	- -	- -	1,700	- -	- -	- -	- -	48,200
- -	- -	- -	- -	2,600	- -	- -	- -	- -	41,400
- -	- -	- -	- -	1,600	- -	- -	- -	- -	38,600
- -	- -	- -	- -	- -	- -	- -	- -	- -	74,100
- -	- -	- -	- -	1,300	- -	- -	- -	- -	6,300
- -	- -	- -	- -	3,000	- -	- -	- -	- -	198,000
- -	- -	- -	- -	3,136	- -	- -	- -	- -	244,536
- -	- -	- -	- -	2,250	- -	- -	- -	- -	4,250
- -	- -	- -	- -	3,000	- -	- -	- -	- -	20,000
- -	- -	- -	- -	4,200	- -	- -	- -	- -	4,200
- -	- -	- -	- -	1,530	- -	- -	- -	- -	9,530
- -	- -	- -	- -	2,100	- -	- -	- -	- -	2,100
- -	- -	- -	- -	1,890	- -	- -	- -	- -	17,890
- -	- -	- -	- -	2,760	- -	- -	- -	- -	10,760
- -	- -	- -	- -	2,000	- -	- -	- -	- -	14,000
- -	- -	- -	- -	2,000	- -	- -	- -	- -	6,500
- -	- -	- -	- -	1,000	- -	- -	- -	- -	4,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	84,000
- -	- -	- -	- -	1,000	- -	- -	- -	- -	92,500
654,100	17,800	14,000	- -	754,099	32,900	- -	- -	- -	2,921,099

RETURN of the several Rates at which the Bank of *England* has advanced Money on

1849:	At 1½ per Cent. £.	At 2 per Cent. £.	At 2¼ per Cent. £.	At 2½ per Cent. £.	At 2¾ per Cent. £.	At 3 per Cent. £.	At 3½ per Cent. £.	At 3½ per Cent. £.
January 6	- -	- - -	- -	- - -	- -	13,500	- -	2,000
13	- -	- - -	- -	- - -	- -	43,000	- -	4,500
20	- -	- - -	- -	- - -	- -	7,500	- -	- -
27	- -	- - -	- -	- - -	- -	4,300	2,200	- -
February 3	- -	- - -	- -	- - -	- -	- - -	- -	- -
10	- -	- - -	- -	- - -	- -	- - -	- -	- -
17	- -	- - -	- -	- - -	- -	3,000	- -	- -
24	- -	- - -	- -	- - -	- -	8,000	- -	- -
March 3	- -	- - -	- -	88,000	- -	22,000	- -	- -
10	- -	- - -	- -	- - -	- -	- - -	- -	- -
17	- -	- - -	- -	139,200	- -	- - -	- -	- -
24	- -	- - -	- -	25,000	- -	- - -	- -	- -
31	- -	- - -	- -	551,500	- -	45,000	- -	- -
April 7	- -	- - -	- -	106,000	- -	9,000	- -	- -
14	- -	- - -	- -	- - -	- -	- - -	- -	- -
21	- -	- - -	- -	- - -	- -	8,800	- -	- -
28	—	—	—	—	—	—	—	—
May 5	- -	- - -	2,000	- - -	- -	9,800	- -	- -
12	—	—	—	—	—	—	—	—
19	- -	- - -	- -	- - -	- -	3,000	- -	- -
26	- -	- - -	- -	- - -	- -	10,000	- -	- -
June 2	- -	- - -	- -	- - -	- -	- - -	- -	- -
9	- -	- - -	- -	- - -	- -	- - -	3,500	- -
16	- -	- - -	- -	10,000	- -	19,000	- -	- -
23	- -	- - -	- -	- - -	- -	- - -	- -	- -
30	- -	- - -	- -	94,000	- -	94,400	- -	- -
July 7	- -	- - -	- -	- - -	- -	- - -	- -	- -
14	- -	- - -	- -	- - -	- -	- - -	- -	- -
21	- -	- - -	- -	- - -	- -	5,000	- -	- -
28	- -	- - -	- -	- - -	- -	10,000	- -	- -
August 4	- -	- - -	- -	- - -	- -	- - -	- -	- -
11	- -	- - -	- -	- - -	- -	- - -	- -	- -
18	- -	- - -	- -	347,900	- -	- - -	- -	- -
25	- -	- - -	- -	- - -	- -	- - -	- -	- -
Sept. 1	- -	- - -	- -	93,000	- -	10,000	- -	- -
8	- -	- - -	- -	- - -	- -	- - -	- -	- -
15	- -	- - -	- -	453,700	- -	58,000	- -	- -
22	- -	- - -	- -	330,250	- -	- - -	- -	- -
29	- -	- - -	- -	577,800	- -	193,100	- -	- -
October 6	- -	- - -	- -	380,450	- -	68,000	- -	- -
13	- -	- - -	- -	- - -	- -	45,000	- -	- -
20	- -	- - -	- -	- - -	- -	- - -	- -	- -
27	- -	- - -	- -	- - -	- -	9,000	- -	- -
Nov. 3	- -	- - -	- -	- - -	- -	- - -	- -	- -
10	- -	- - -	- -	- - -	- -	27,400	- -	- -
17	- -	- - -	- -	- - -	- -	10,000	- -	- -
24	- -	- - -	- -	13,000	- -	6,000	- -	- -
Dec. 1	- -	112,000	- -	20,500	- -	- - -	- -	- -
8	- -	175,300	- -	20,000	- -	2,000	- -	- -
15	- -	914,400	- -	6,000	- -	- - -	- -	- -
22	- -	47,700	- -	- - -	- -	- - -	- -	- -
29	- -	409,600	- -	174,000	- -	- - -	- -	- -
£.	- -	1,659,000	2,000	3,430,300	- -	743,800	5,700	6,500

Loan, with the Date at which each such Rate has been established, &c.—*continued.*

At 4 per Cent.	At 4½ per Cent.	At 4½ per Cent.	At 4¾ per Cent.	At 5 per Cent.	At 5½ per Cent.	At 6 per Cent.	At 6½ per Cent.	At 7 per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- -	- -	- -	- -	- -	- -	- -	- -	15,500
- -	- -	- -	- -	2,000	- -	- -	- -	- -	49,500
- -	- -	- -	- -	2,000	- -	- -	- -	- -	9,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	6,500
- -	- -	- -	- -	2,771	- -	- -	- -	- -	2,771
- -	- -	- -	- -	1,000	- -	- -	- -	- -	1,000
- -	- -	- -	- -	2,500	- -	- -	- -	- -	5,500
- -	- -	- -	- -	3,900	- -	- -	- -	- -	11,900
100,000	- -	- -	- -	1,000	- -	- -	- -	- -	211,000
- -	- -	- -	- -	1,500	- -	- -	- -	- -	1,500
- -	- -	- -	- -	2,500	- -	- -	- -	- -	141,700
- -	- -	- -	- -	1,000	- -	- -	- -	- -	26,000
- -	- -	- -	- -	2,500	- -	- -	- -	- -	599,000
- -	- -	- -	- -	1,500	- -	- -	- -	- -	116,500
- -	- -	- -	- -	2,600	- -	- -	- -	- -	2,600
- -	- -	- -	- -	4,000	- -	- -	- -	- -	12,800
—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	- -	- -	- -	- -	- -	11,800
—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	1,000	- -	- -	- -	- -	4,000
- -	- -	- -	- -	1,000	- -	- -	- -	- -	11,000
- -	- -	- -	- -	1,700	- -	- -	- -	- -	1,700
- -	- -	- -	- -	500	- -	- -	- -	- -	4,000
- -	- -	- -	- -	1,000	- -	- -	- -	- -	30,000
- -	- -	- -	- -	2,700	- -	- -	- -	- -	2,700
- -	- -	- -	- -	3,300	- -	- -	- -	- -	191,700
- -	- -	- -	- -	3,000	- -	- -	- -	- -	3,000
- -	- -	- -	- -	3,400	- -	- -	- -	- -	3,400
2,000	- -	- -	- -	3,155	- -	- -	- -	- -	10,155
- -	- -	- -	- -	2,823	- -	- -	- -	- -	12,823
- -	- -	- -	- -	1,000	- -	- -	- -	- -	1,000
- -	- -	- -	- -	2,000	- -	- -	- -	- -	2,000
- -	- -	- -	- -	1,000	- -	- -	- -	- -	348,900
- -	- -	- -	- -	1,200	- -	- -	- -	- -	1,200
- -	- -	- -	- -	1,500	- -	- -	- -	- -	104,500
- -	- -	- -	- -	1,300	- -	- -	- -	- -	1,300
- -	- -	- -	- -	1,000	- -	- -	- -	- -	512,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	330,250
- -	- -	- -	- -	2,500	- -	- -	- -	- -	773,400
- -	- -	- -	- -	2,500	- -	- -	- -	- -	450,950
- -	- -	- -	- -	1,800	- -	- -	- -	- -	46,800
- -	- -	- -	- -	3,000	- -	- -	- -	- -	3,000
- -	- -	- -	- -	2,000	- -	- -	- -	- -	11,000
- -	- -	- -	- -	3,500	- -	- -	- -	- -	3,500
- -	- -	- -	- -	4,000	- -	- -	- -	- -	31,400
- -	- -	- -	- -	3,000	- -	- -	- -	- -	13,000
- -	- -	- -	- -	4,000	- -	- -	- -	- -	23,000
- -	- -	- -	- -	3,500	- -	- -	- -	- -	136,000
- -	- -	- -	- -	2,000	- -	- -	- -	- -	199,300
- -	- -	- -	- -	2,200	- -	- -	- -	- -	922,600
- -	- -	- -	- -	1,500	- -	- -	- -	- -	49,200
- -	- -	- -	- -	500	- -	- -	- -	- -	584,100
102,000	- -	- -	- -	99,349	- -	- -	- -	- -	6,048,649

RETURN of the several Rates at which the Bank of *England* has advanced Money on

	At 1½ per Cent.	At 2 per Cent.	At 2¼ per Cent.	At 2½ per Cent.	At 2¾ per Cent.	At 3 per Cent.	At 3¼ per Cent.	At 3½ per Cent.
1850:	£.	£.	£.	£.	£.	£.	£.	£.
January 5	- -	154,800	- -	7,500	- -	- - -	- -	- -
12	- -	29,000	- -	150,700	6,000	- - -	- -	- -
19	- -	- - -	- -	95,700	- -	- - -	- -	- -
26	- -	- - -	- -	142,000	- -	- - -	- -	- -
February 2	- -	- - -	- -	17,300	- -	- - -	- -	- -
9	- -	- - -	- -	- - -	- -	- - -	- -	- -
16	- -	- - -	- -	36,500	- -	- - -	- -	- -
23	- -	- - -	- -	42,600	- -	- - -	- -	- -
March 2	- -	100,000	- -	78,700	- -	- - -	- -	- -
9	- -	551,000	- -	18,700	- -	- - -	- -	- -
16	- -	533,000	- -	6,000	- -	- - -	- -	- -
23	- -	31,500	- -	5,300	- -	- - -	- -	- -
30	- -	754,700	- -	260,000	- -	- - -	- -	- -
April 6	- -	33,000	- -	- - -	- -	- - -	- -	- -
13	- -	- - -	- -	22,500	- -	- - -	- -	- -
20	- -	- - -	- -	6,300	- -	- - -	- -	- -
27	- -	- - -	- -	- - -	- -	- - -	- -	- -
May 4	- -	- - -	- -	42,000	- -	2,000	- -	- -
11	- -	- - -	- -	11,400	- -	- - -	- -	- -
18	- -	- - -	- -	- - -	- -	- - -	- -	- -
25	- -	- - -	- -	25,600	- -	- - -	- -	- -
June 1	- -	104,000	- -	14,500	- -	- - -	- -	- -
8	- -	502,000	- -	- - -	- -	- - -	- -	- -
15	- -	777,700	- -	16,500	- -	- - -	- -	- -
22	- -	80,000	- -	15,000	- -	- - -	- -	- -
29	- -	265,500	- -	176,400	- -	- - -	- -	- -
July 6	- -	117,800	- -	125,000	- -	- - -	- -	- -
13	- -	- - -	- -	109,100	- -	- - -	- -	2,500
20	- -	- - -	- -	19,600	- -	- - -	- -	- -
27	- -	- - -	- -	2,500	- -	- - -	- -	- -
August 3	- -	- - -	- -	- - -	- -	- - -	- -	- -
10	- -	- - -	- -	- - -	- -	- - -	- -	- -
17	- -	- - -	- -	375,000	- -	- - -	- -	- -
24	- -	- - -	- -	165,500	- -	- - -	- -	- -
31	- -	350,000	- -	205,000	- -	- - -	- -	- -
Sept. 7	- -	140,000	- -	26,000	- -	- - -	- -	- -
14	- -	480,500	- -	129,400	- -	- - -	- -	- -
21	- -	413,900	- -	103,400	- -	- - -	- -	- -
28	- -	476,800	- -	346,100	- -	2,000	- -	- -
October 5	- -	243,500	- -	333,200	- -	- - -	- -	- -
12	- -	15,000	- -	61,500	- -	- - -	- -	- -
19	- -	- - -	- -	29,500	- -	- - -	- -	- -
26	- -	- - -	- -	12,900	- -	- - -	- -	- -
Nov. 2	- -	- - -	- -	8,200	- -	- - -	- -	- -
9	- -	- - -	- -	15,100	- -	- - -	- -	- -
16	- -	- - -	- -	279,100	- -	- - -	- -	- -
23	- -	- - -	- -	211,000	- -	- - -	- -	- -
30	- -	- - -	- -	617,200	- -	- - -	- -	- -
Dec. 7	- -	- - -	- -	162,200	- -	2,000	- -	1,000
14	- -	- - -	- -	44,400	- -	- - -	- -	- -
21	- -	- - -	- -	1,017,700	- -	- - -	- -	- -
28	- -	- - -	- -	328,300	- -	141,500	- -	1,500
£.	- -	6,153,700	- -	5,918,100	6,000	147,500	- -	5,000

Loan, with the Date at which each such Rate has been established, &c.—*continued.*

At 4 per Cent.	At 4¼ per Cent.	At 4½ per Cent.	At 4¾ per Cent.	At 5 per Cent.	At 5¼ per Cent.	At 6 per Cent	At 6½ per Cent.	At 7 per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- -	- -	- -	2,000	- -	- -	- -	- -	164,300
- -	- -	- -	- -	2,000	- -	- -	- -	- -	187,700
- -	- -	- -	- -	4,000	- -	- -	- -	- -	99,700
- -	- -	- -	- -	11,653	- -	- -	- -	- -	153,653
- -	- -	- -	- -	- -	- -	- -	- -	- -	17,300
- -	- -	- -	- -	2,000	- -	- -	- -	- -	2,000
- -	- -	- -	- -	4,000	- -	- -	- -	- -	40,500
- -	- -	- -	- -	1,000	- -	- -	- -	- -	43,600
- -	- -	- -	- -	- -	- -	- -	- -	- -	178,700
- -	- -	- -	- -	1,000	- -	- -	- -	- -	570,700
- -	- -	- -	- -	1,000	- -	- -	- -	- -	540,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	36,800
- -	- -	- -	- -	2,500	- -	- -	- -	- -	1,017,200
- -	- -	- -	- -	5,000	- -	- -	- -	- -	38,000
- -	- -	- -	- -	1,500	- -	- -	- -	- -	24,000
- -	- -	- -	- -	4,000	- -	- -	- -	- -	10,300
- -	- -	- -	- -	3,000	- -	- -	- -	- -	3,000
- -	- -	- -	- -	2,000	- -	- -	- -	- -	46,000
- -	- -	- -	- -	3,000	- -	- -	- -	- -	14,400
- -	- -	- -	- -	5,000	- -	- -	- -	- -	5,000
- -	- -	- -	- -	4,500	- -	- -	- -	- -	30,100
- -	- -	- -	- -	4,500	- -	- -	- -	- -	123,000
- -	- -	- -	- -	5,000	- -	- -	- -	- -	507,000
- -	- -	- -	- -	2,000	- -	- -	- -	- -	796,200
- -	- -	- -	- -	3,000	- -	- -	- -	- -	98,000
- -	- -	- -	- -	1,500	- -	- -	- -	- -	443,400
- -	- -	- -	- -	3,700	- -	- -	- -	- -	246,500
- -	- -	- -	- -	5,000	- -	- -	- -	- -	116,600
- -	- -	- -	- -	1,500	- -	- -	- -	- -	21,100
- -	- -	- -	- -	5,000	- -	- -	- -	- -	7,500
- -	- -	- -	- -	2,500	- -	- -	- -	- -	2,500
- -	- -	- -	- -	4,000	- -	- -	- -	- -	4,000
- -	- -	- -	- -	2,500	- -	- -	- -	- -	377,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	165,500
- -	- -	- -	- -	2,000	- -	- -	- -	- -	557,000
- -	- -	- -	- -	1,500	- -	- -	- -	- -	167,500
- -	- -	- -	- -	2,700	- -	- -	- -	- -	612,600
- -	- -	- -	- -	1,500	- -	- -	- -	- -	518,800
- -	- -	- -	- -	2,400	- -	- -	- -	- -	827,300
- -	- -	- -	- -	3,000	- -	- -	- -	- -	579,700
- -	- -	- -	- -	1,500	- -	- -	- -	- -	78,000
- -	- -	- -	- -	3,800	- -	- -	- -	- -	33,300
- -	- -	- -	- -	- -	- -	- -	- -	- -	12,900
- -	- -	- -	- -	2,800	- -	- -	- -	- -	11,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	15,100
- -	- -	- -	- -	1,200	- -	- -	- -	- -	280,300
- -	- -	- -	- -	2,000	- -	- -	- -	- -	213,000
- -	- -	- -	- -	14,000	- -	- -	- -	- -	631,200
- -	- -	- -	- -	3,518	- -	- -	- -	- -	168,718
- -	- -	- -	- -	6,000	- -	- -	- -	- -	50,400
- -	- -	- -	- -	9,000	- -	- -	- -	- -	1,026,700
- -	- -	- -	- -	1,408	- -	- -	- -	- -	472,708
- -	- -	- -	- -	157,679	- -	- -	- -	- -	12,387,979

RETURN of the several Rates at which the Bank of *England* has advanced Money on

1851:	At 1½ per Cent. £.	At 2 per Cent. £.	At 2½ per Cent. £.	At 2⅔ per Cent. £.	At 2¾ per Cent. £.	At 3 per Cent. £.	At 3¼ per Cent. £.	At 3½ per Cent. £.
January 4	- -	10,000	- -	140,500	- -	376,600	- -	- -
11	- -	- -	- -	- -	- -	9,000	- -	- -
18	- -	- -	- -	- -	- -	354,200	- -	- -
25	- -	- -	- -	- -	- -	17,300	- -	- -
February 1	- -	- -	- -	- -	- -	13,000	- -	- -
8	- -	- -	- -	- -	- -	12,700	- -	- -
15	- -	- -	- -	- -	- -	137,700	- -	- -
22	- -	- -	- -	- -	- -	112,100	- -	- -
March 1	- -	- -	- -	331,500	- -	108,500	- -	- -
8	- -	- -	- -	107,500	- -	5,000	- -	- -
15	- -	- -	- -	200,200	- -	- -	- -	- -
22	- -	- -	- -	66,000	- -	124,400	- -	2,500
29	- -	- -	- -	435,500	- -	817,000	- -	- -
April 5	- -	- -	- -	10,000	- -	108,500	- -	- -
12	- -	- -	- -	- -	- -	21,500	- -	- -
19	- -	- -	- -	- -	- -	57,100	- -	- -
26	- -	- -	- -	- -	- -	30,200	- -	- -
May 3	- -	- -	- -	- -	- -	79,500	- -	- -
10	- -	- -	- -	- -	- -	15,600	- -	2,400
17	- -	- -	- -	- -	- -	261,200	- -	- -
24	- -	- -	- -	- -	- -	111,800	- -	2,500
31	- -	- -	- -	- -	- -	310,000	- -	- -
June 7	- -	- -	- -	- -	- -	74,400	- -	- -
14	- -	- -	- -	- -	- -	346,200	- -	- -
21	- -	- -	- -	- -	- -	544,900	- -	- -
28	- -	- -	- -	- -	- -	957,800	- -	- -
July 5	- -	- -	- -	- -	- -	325,900	- -	- -
12	- -	20,000	- -	- -	- -	117,000	- -	- -
19	- -	- -	- -	- -	- -	16,000	- -	- -
26	- -	- -	- -	- -	- -	47,000	- -	- -
August 2	- -	- -	- -	- -	- -	118,500	- -	- -
9	- -	- -	- -	- -	- -	275,900	- -	- -
16	- -	- -	- -	- -	- -	193,600	- -	- -
23	- -	- -	- -	- -	- -	59,000	4,800	- -
30	- -	- -	- -	- -	- -	91,400	- -	- -
Sept. 6	- -	- -	- -	- -	- -	179,700	- -	- -
13	- -	- -	- -	- -	- -	168,600	6,000	- -
20	- -	- -	- -	- -	- -	169,900	- -	- -
27	- -	- -	- -	- -	- -	268,500	- -	- -
October 4	- -	- -	- -	- -	- -	420,900	- -	- -
11	- -	- -	- -	- -	- -	24,000	- -	- -
18	- -	- -	- -	- -	- -	48,300	- -	- -
25	- -	- -	- -	- -	- -	20,000	- -	- -
Nov. 1	- -	- -	- -	- -	- -	5,000	- -	- -
8	- -	- -	- -	- -	- -	26,400	- -	- -
15	- -	- -	- -	- -	- -	26,600	- -	- -
22	- -	- -	- -	- -	- -	33,200	- -	- -
29	- -	- -	- -	192,500	- -	8,000	- -	- -
Dec. 6	- -	- -	- -	35,000	- -	45,800	- -	- -
13	- -	- -	- -	60,000	- -	52,600	- -	- -
20	- -	- -	- -	111,000	- -	20,000	- -	- -
27	- -	- -	- -	220,000	- -	128,500	- -	- -
£.	- -	30,000	- -	1,909,700	- -	7,896,500	10,800	7,400

Loan, with the Date at which each such Rate has been established, &c.—*continued.*

At 4 per Cent.	At 4½ per Cent.	At 4½ per Cent.	At 4¾ per Cent.	At 5 per Cent.	At 5½ per Cent.	At 6 per Cent.	At 6½ per Cent.	At 7 per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- -	- -	- -	- -	- -	- -	- -	- -	527,100
- -	- -	- -	- -	2,000	- -	- -	- -	- -	11,000
- -	- -	- -	- -	3,000	- -	- -	- -	- -	357,200
- -	- -	- -	- -	1,200	- -	- -	- -	- -	18,500
- -	- -	- -	- -	5,000	- -	- -	- -	- -	18,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	12,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	137,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	112,100
- -	- -	- -	- -	2,500	- -	- -	- -	- -	442,500
- -	- -	- -	- -	1,000	- -	- -	- -	- -	113,500
- -	- -	- -	- -	2,000	- -	- -	- -	- -	202,200
- -	- -	- -	- -	- -	- -	- -	- -	- -	192,900
2,500	- -	- -	- -	2,500	- -	- -	- -	- -	1,257,500
- -	- -	- -	- -	1,800	- -	- -	- -	- -	120,300
- -	- -	- -	- -	2,514	- -	- -	- -	- -	24,014
- -	- -	- -	- -	3,000	- -	- -	- -	- -	60,100
- -	- -	- -	- -	- -	- -	- -	- -	- -	30,200
- -	- -	- -	- -	4,000	- -	- -	- -	- -	83,500
- -	- -	- -	- -	4,000	- -	- -	- -	- -	22,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	261,200
- -	- -	- -	- -	2,000	- -	- -	- -	- -	116,300
- -	- -	- -	- -	2,600	- -	- -	- -	- -	312,600
- -	- -	- -	- -	4,500	- -	- -	- -	- -	78,900
3,500	- -	- -	- -	4,000	- -	- -	- -	- -	353,700
- -	- -	- -	- -	2,344	- -	- -	- -	- -	547,244
- -	- -	- -	- -	1,200	- -	- -	- -	- -	959,000
- -	- -	- -	- -	6,000	- -	- -	- -	- -	331,900
- -	- -	- -	- -	3,000	- -	- -	- -	- -	140,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	16,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	47,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	118,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	275,900
- -	- -	- -	- -	2,000	- -	- -	- -	- -	195,600
- -	- -	- -	- -	3,500	- -	- -	- -	- -	67,300
- -	- -	- -	- -	5,000	- -	- -	- -	- -	96,400
- -	- -	- -	- -	2,000	- -	- -	- -	- -	181,700
- -	- -	- -	- -	3,800	- -	- -	- -	- -	178,400
- -	- -	- -	- -	- -	- -	- -	- -	- -	169,900
- -	- -	- -	- -	1,000	- -	- -	- -	- -	269,500
- -	- -	- -	- -	930	- -	- -	- -	- -	421,830
- -	- -	- -	- -	- -	- -	- -	- -	- -	24,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	48,300
- -	- -	- -	- -	2,007	- -	- -	- -	- -	22,007
- -	- -	- -	- -	800	- -	- -	- -	- -	5,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	26,400
- -	- -	- -	- -	1,000	- -	- -	- -	- -	27,600
- -	- -	- -	- -	6,500	- -	- -	- -	- -	39,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	200,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	80,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	112,600
- -	- -	- -	- -	5,000	- -	- -	- -	- -	136,000
- -	- -	- -	- -	1,000	- -	- -	- -	- -	349,500
6,000	- -	- -	- -	94,695	- -	- -	- -	- -	9,955,095

RETURN of the several Rates at which the Bank of *England* has advanced Money on

——	At 1½ per Cent.	At 2 per Cent.	At 2¼ per Cent.	At 2½ per Cent.	At 2¾ per Cent.	At 3 per Cent.	At 3¼ per Cent.	At 3½ per Cent.
1852:	£.	£.	£.	£.	£.	£.	£.	£.
January 3	-	206,300	-	-	-	237,000	-	-
10	-	-	-	235,100	-	-	-	-
17	-	-	-	27,000	-	-	-	-
24	-	-	-	44,400	-	-	-	-
31	-	-	-	7,300	-	-	-	-
February 7	-	-	-	58,800	-	-	-	-
14	-	-	-	16,700	-	-	-	-
21	-	-	-	9,600	-	-	-	-
28	-	2,000	-	-	-	-	-	-
March 6	-	-	-	28,000	-	-	-	-
13	—	—	—	—	—	—	—	—
20	—	—	—	—	—	—	—	—
27	-	2,000	-	8,200	-	-	-	-
April 3	-	-	-	-	-	-	-	-
10	-	5,000	-	-	-	-	-	-
17	-	6,000	-	5,000	-	-	-	-
24	-	7,400	-	-	-	-	-	-
May 1	-	3,000	-	-	-	-	-	-
8	-	9,200	-	-	-	-	-	-
15	-	22,700	-	-	-	-	-	-
22	-	6,000	-	-	-	-	-	-
29	-	20,600	-	-	-	-	-	-
June 5	-	24,000	-	-	-	-	-	-
12	210,000	13,000	-	-	-	-	-	-
19	—	—	—	—	—	—	—	—
26	-	3,000	-	-	-	-	-	-
July 3	757,000	55,300	-	-	-	-	-	-
10	-	20,400	-	-	-	1,000	-	-
17	-	10,000	-	-	-	-	-	-
24	—	—	—	—	—	—	—	—
31	-	21,900	-	-	-	-	-	-
August 7	—	—	—	—	—	—	—	—
14	—	—	—	—	—	—	—	—
21	-	18,000	-	-	-	-	-	-
28	-	3,000	-	-	-	-	-	-
Sept. 4	14,000	54,000	-	-	-	-	-	-
11	86,000	2,000	-	1,300	-	-	-	-
18	92,000	143,800	-	-	-	-	-	-
25	261,800	70,000	-	2,000	-	-	-	-
October 2	351,000	311,200	-	-	-	-	-	-
9	-	18,000	-	-	-	-	-	-
16	-	28,700	-	-	-	-	-	-
23	-	5,000	-	-	-	-	-	-
30	-	11,100	-	-	-	-	-	-
Nov. 6	-	3,300	-	-	-	-	-	-
13	-	12,500	-	-	-	-	-	-
20	11,000	115,700	-	12,800	-	-	-	-
27	100,000	107,100	-	-	-	-	-	-
Dec. 4	250,000	216,500	-	-	-	-	-	-
11	101,400	53,200	-	-	-	-	-	-
18	291,000	358,500	-	-	-	-	-	-
24	150,000	649,950	-	-	-	-	-	-
£.	2,675,200	2,619,350	-	456,200	-	238,000	-	-

Loan, with the Date at which each such Rate has been established, &c.—*continued.*

At 4 per Cent.	At 4¼ per Cent.	At 4½ per Cent.	At 4¾ per Cent.	At 5 per Cent.	At 5½ per Cent.	At 6 per Cent.	At 6½ per Cent.	At 7 per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- -	- -	- -	2,568	- -	- -	- -	- -	445,868
- -	- -	- -	- -	2,000	- -	- -	- -	- -	237,100
- -	- -	- -	- -	6,000	- -	- -	- -	- -	33,000
- -	- -	- -	- -	2,000	- -	- -	- -	- -	46,400
- -	- -	- -	- -	2,500	- -	- -	- -	- -	9,800
- -	- -	- -	- -	3,500	- -	- -	- -	- -	62,300
- -	- -	- -	- -	2,013	- -	- -	- -	- -	18,713
- -	- -	- -	- -	- -	- -	- -	- -	- -	9,600
- -	- -	- -	- -	3,000	- -	- -	- -	- -	5,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	28,000
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	- -	- -	- -	- -	- -	10,200
- -	- -	- -	- -	1,800	- -	- -	- -	- -	1,800
- -	- -	- -	- -	2,800	- -	- -	- -	- -	7,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	11,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	7,400
- -	- -	- -	- -	1,000	- -	- -	- -	- -	4,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	9,200
- -	- -	- -	- -	- -	- -	- -	- -	- -	22,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	6,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	20,600
- -	- -	- -	- -	- -	- -	- -	- -	- -	24,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	223,000
—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	- -	- -	- -	- -	- -	3,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	812,300
- -	- -	- -	- -	- -	- -	- -	- -	- -	21,400
- -	- -	- -	- -	- -	- -	- -	- -	- -	10,000
—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	- -	- -	- -	- -	- -	21,900
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	- -	- -	- -	- -	- -	18,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	3,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	68,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	89,300
- -	- -	- -	- -	- -	- -	- -	- -	- -	235,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	333,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	662,200
- -	- -	- -	- -	- -	- -	- -	- -	- -	18,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	28,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	5,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	11,100
- -	- -	- -	- -	- -	- -	- -	- -	- -	3,300
- -	- -	- -	- -	- -	- -	- -	- -	- -	12,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	139,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	207,100
- -	- -	- -	- -	- -	- -	- -	- -	- -	466,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	154,600
- -	- -	- -	- -	- -	- -	- -	- -	- -	649,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	799,950
- -	- -	- -	- -	29,181	- -	- -	- -	- -	6,017,931

RETURN of the several Rates at which the Bank of *England* has advanced Money on

	At 1½ per Cent.	At 2 per Cent.	At 2¼ per Cent.	At 2½ per Cent.	At 2¾ per Cent.	At 3 per Cent.	At 3¼ per Cent.	At 3½ per Cent.
1853:	£.	£.	£.	£.	£.	£.	£.	£.
January 1	45,000	1,135,150	- -	- -	- -	- - -	- -	- - -
8	60,000	37,500	- -	- -	- -	- - -	- -	- - -
15	- -	- - -	- -	605,800	- -	- - -	- -	- - -
22	- -	- - -	- -	21,500	- -	40,800	- -	- - -
29	- -	- - -	- -	- -	- -	166,500	- -	- - -
February 5	- -	- - -	- -	- -	- -	18,900	- -	- - -
12	- -	- - -	- -	- -	- -	4,000	- -	- - -
19	- -	- - -	- -	- -	- -	277,300	- -	- - -
26	- -	- - -	- -	- -	- -	414,700	- -	- - -
March 5	- -	- - -	- -	- -	- -	227,700	- -	- - -
12	- -	- - -	- -	- -	- -	355,600	20,000	- - -
19	- -	- - -	- -	- -	- -	334,500	- -	- - -
26	- -	- - -	- -	- -	- -	820,500	- -	- - -
April 2	- -	- - -	- -	- -	- -	141,100	- -	- - -
9	- -	- - -	- -	- -	- -	72,400	- -	- - -
16	- -	- - -	- -	5,000	- -	110,400	- -	- - -
23	—	—	—	—	—	—	—	—
30	- -	- - -	- -	3,000	- -	12,800	- -	- - -
May 7	- -	- - -	- -	- -	- -	163,900	- -	- - -
14	- -	- - -	- -	- -	- -	212,000	- -	- - -
21	- -	- - -	- -	- -	- -	592,300	- -	- - -
28	- -	- - -	- -	- -	- -	188,000	- -	- - -
June 4	- -	- - -	- -	- -	- -	594,100	- -	5,500
11	- -	- - -	- -	- -	- -	- - -	- -	19,300
18	- -	- - -	- -	- -	- -	- - -	- -	5,500
25	- -	- - -	- -	- -	- -	- - -	- -	164,000
July 2	- -	- - -	- -	- -	- -	- - -	- -	474,000
9	- -	- - -	- -	- -	- -	5,000	- -	12,000
16	- -	- - -	- -	- -	- -	- - -	- -	13,500
23	- -	- - -	- -	- -	- -	- - -	- -	68,200
30	- -	- - -	- -	- -	- -	- - -	- -	31,800
August 6	- -	- - -	- -	- -	- -	- - -	- -	324,500
13	- -	- - -	- -	- -	- -	- - -	- -	80,000
20	- -	- - -	- -	- -	- -	- - -	- -	197,700
27	- -	- - -	- -	- -	- -	- - -	- -	15,000
Sept. 3	- -	- - -	- -	- -	- -	- - -	- -	155,000
10	- -	- - -	- -	- -	- -	- - -	- -	- - -
17	- -	- - -	- -	- -	- -	- - -	- -	- - -
24	- -	- - -	- -	- -	- -	- - -	- -	- - -
October 1	- -	- - -	- -	- -	- -	- - -	- -	- - -
8	- -	- - -	- -	- -	- -	- - -	- -	- - -
15	- -	- - -	- -	- -	- -	- - -	- -	- - -
22	- -	- - -	- -	- -	- -	- - -	- -	- - -
29	- -	- - -	- -	- -	- -	- - -	- -	- - -
Nov. 5	—	—	—	—	—	—	—	—
12	—	—	—	—	—	—	—	—
19	—	—	—	—	—	—	—	—
26	- -	- - -	- -	- -	- -	- - -	- -	- - -
Dec. 3	- -	- - -	- -	- -	- -	- - -	- -	- - -
10	- -	- - -	- -	- -	- -	- - -	- -	- - -
17	- -	- - -	- -	- -	- -	- - -	- -	- - -
24	- -	- - -	- -	- -	- -	- - -	- -	- - -
31	- -	- - -	- -	- -	- -	- - -	- -	- - -
£.	105,000	1,172,650	- -	635,300	- -	4,752,500	20,000	1,566,000

Loan, with the Date at which each such Rate has been established, &c.—*continued.*

At 4 per Cent.	At 4¼ per Cent.	At 4½ per Cent.	At 4¾ per Cent.	At 5 per Cent.	At 5½ per Cent.	At 6 per Cent.	At 6½ per Cent.	At 7 per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- -	- -	- -	- -	- -	- -	- -	- -	1,180,150
- -	- -	- -	- -	- -	- -	- -	- -	- -	97,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	605,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	62,300
- -	- -	- -	- -	- -	- -	- -	- -	- -	166,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	18,900
- -	- -	- -	- -	- -	- -	- -	- -	- -	4,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	277,300
- -	- -	- -	- -	- -	- -	- -	- -	- -	414,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	227,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	375,600
- -	- -	- -	- -	- -	- -	- -	- -	- -	334,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	820,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	141,100
- -	- -	- -	- -	- -	- -	- -	- -	- -	72,400
- -	- -	- -	- -	- -	- -	- -	- -	- -	115,400
—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	- -	- -	- -	- -	- -	15,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	163,900
- -	- -	- -	- -	- -	- -	- -	- -	- -	212,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	592,300
- -	- -	- -	- -	- -	- -	- -	- -	- -	188,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	599,600
- -	- -	- -	- -	- -	- -	- -	- -	- -	19,300
- -	- -	- -	- -	- -	- -	- -	- -	- -	5,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	164,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	474,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	17,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	13,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	68,200
- -	- -	- -	- -	- -	- -	- -	- -	- -	31,800
- -	- -	- -	- -	- -	- -	- -	- -	- -	324,500
- -	- -	- -	- -	- -	- -	- -	- -	- -	80,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	197,700
- -	- -	- -	- -	- -	- -	- -	- -	- -	15,000
30,000	- -	- -	- -	- -	- -	- -	- -	- -	185,000
215,800	2,000	- -	- -	- -	- -	- -	- -	- -	217,800
331,700	- -	69,000	- -	- -	- -	- -	- -	- -	400,700
- -	- -	175,500	3,000	- -	- -	- -	- -	- -	178,500
51,300	- -	489,500	- -	644,800	- -	- -	- -	- -	1,185,600
- -	- -	- -	- -	16,800	- -	- -	- -	- -	16,800
- -	- -	- -	- -	51,200	- -	- -	- -	- -	51,200
- -	- -	- -	- -	19,800	- -	- -	- -	- -	19,800
- -	- -	- -	- -	3,000	- -	- -	- -	- -	3,000
—	—	—	—	—	—	—	—	—	—
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—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	306,000	- -	- -	- -	- -	306,000
- -	- -	51,500	- -	401,300	- -	- -	- -	- -	452,800
- -	- -	- -	- -	106,000	- -	- -	- -	- -	106,000
- -	- -	12,200	- -	73,000	- -	- -	- -	- -	85,200
- -	- -	265,000	- -	240,000	- -	- -	- -	- -	505,000
- -	- -	279,700	- -	476,000	- -	- -	- -	- -	755,700
628,800	2,000	1,342,400	3,000	2,337,900	- -	- -	- -	- -	12,565,550

Return of the several Rates at which the Bank of *England* has advanced Money on

	At 1½ per Cent.	At 2 per Cent.	At 2¼ per Cent.	At 2½ per Cent.	At 2¾ per Cent.	At 3 per Cent.	At 3¼ per Cent.	At 3½ per Cent.
1854:	£.	£.	£.	£.	£.	£.	£.	£.
January 7	- -	- -	- -	- -	- -	- - -	- - -	- - -
14	- -	- -	- -	- -	- -	- - -	- - -	- - -
21	- -	- -	- -	- -	- -	- - -	- - -	- - -
28	—	—	—	—	—	—	—	—
February 4	—	—	—	—	—	—	—	—
11	- -	- -	- -	- -	- -	- - -	- - -	- - -
18	- -	- -	- -	- -	- -	- - -	- - -	- - -
25	—	—	—	—	—	—	—	—
March 4	- -	- -	- -	- -	- -	- - -	- - -	- - -
11	- -	- -	- -	- -	- -	- - -	- - -	- - -
18	- -	- -	- -	- -	- -	- - -	- - -	- - -
25	- -	- -	- -	- -	- -	- - -	- - -	- - -
April 1	- -	- -	- -	- -	- -	- - -	- - -	- - -
8	- -	- -	- -	- -	- -	- - -	- - -	- - -
15	- -	- -	- -	- -	- -	- - -	- - -	- - -
22	—	—	—	—	—	—	—	—
29	—	—	—	—	—	—	—	—
May 6	- -	- -	- -	- -	- -	- - -	- - -	- - -
13	—	—	—	—	—	—	—	—
20	- -	- -	- -	- -	- -	- - -	- - -	- - -
27	- -	- -	- -	- -	- -	- - -	- - -	- - -
June 3	- -	- -	- -	- -	- -	- - -	- - -	- - -
10	- -	- -	- -	- -	- -	- - -	- - -	- - -
17	- -	- -	- -	- -	- -	- - -	- - -	- - -
24	- -	- -	- -	- -	- -	- - -	- - -	- - -
July 1	- -	- -	- -	- -	- -	- - -	- - -	- - -
8	- -	- -	- -	- -	- -	- - -	- - -	- - -
15	- -	- -	- -	- -	- -	- - -	- - -	- - -
22	—	—	—	—	—	—	—	—
29	—	—	—	—	—	—	—	—
August 5	- -	- -	- -	- -	- -	- - -	- - -	- - -
12	- -	- -	- -	- -	- -	- - -	- - -	- - -
19	- -	- -	- -	- -	- -	- - -	- - -	- - -
26	- -	- -	- -	- -	- -	- - -	- - -	- - -
Sept. 2	- -	- -	- -	- -	- -	- - -	- - -	- - -
9	- -	- -	- -	- -	- -	- - -	- - -	- - -
16	- -	- -	- -	- -	- -	- - -	- - -	- - -
23	- -	- -	- -	- -	- -	- - -	- - -	- - -
30	- -	- -	- -	- -	- -	- - -	- - -	- - -
October 7	- -	- -	- -	- -	- -	- - -	- - -	- - -
14	- -	- -	- -	- -	- -	- - -	- - -	- - -
21	- -	- -	- -	- -	- -	- - -	- - -	- - -
28	—	—	—	—	—	—	—	—
Nov. 4	—	—	—	—	—	—	—	—
11	- -	- -	- -	- -	- -	- - -	- - -	- - -
18	- -	- -	- -	- -	- -	- - -	- - -	- - -
25	- -	- -	- -	- -	- -	- - -	- - -	- - -
Dec. 2	- -	- -	- -	- -	- -	- - -	- - -	- - -
9	- -	- -	- -	- -	- -	- - -	- - -	- - -
16	- -	- -	- -	- -	- -	- - -	- - -	- - -
23	- -	- -	- -	- -	- -	- - -	- - -	- - -
30	- -	- -	- -	- -	- -	- - -	- - -	- - -
£.	- -	- -	- -	- -	- -	- - -	- - -	- - -

Loan, with the Date at which each such Rate has been established, &c.—*continued.*

At 4 per Cent.	At 4¼ per Cent.	At 4½ per Cent.	At 4¾ per Cent.	At 5 per Cent.	At 5½ per Cent.	At 6 per Cent.	At 6½ per Cent.	At 7 per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- -	22,500	- -	136,200	- -	- -	- -	- -	158,700
- -	- -	- -	- -	29,300	- -	- -	- -	- -	29,300
- -	- -	- -	- -	195,000	- -	- -	- -	- -	195,000
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	17,500	- -	- -	- -	- -	17,500
- -	- -	- -	- -	4,600	- -	- -	- -	- -	4,600
—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	39,000	- -	- -	- -	- -	39,000
- -	- -	- -	- -	36,200	- -	- -	- -	- -	36,200
- -	- -	- -	- -	785,400	- -	- -	- -	- -	785,400
- -	- -	25,000	- -	308,100	- -	- -	- -	- -	333,100
- -	- -	- -	- -	161,600	- -	- -	- -	- -	161,600
- -	- -	- -	- -	96,000	- -	- -	- -	- -	96,000
- -	- -	- -	- -	19,000	- -	- -	- -	- -	19,000
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	35,000	- -	- -	- -	- -	35,000
—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	- -	132,000	- -	- -	- -	132,000
- -	- -	- -	- -	- -	60,000	- -	- -	- -	60,000
- -	- -	- -	- -	- -	104,000	- -	- -	- -	104,000
- -	- -	- -	- -	20,000	162,600	- -	- -	- -	182,600
- -	- -	- -	- -	20,000	60,500	- -	- -	- -	80,500
- -	- -	- -	- -	348,000	467,600	- -	- -	- -	815,600
- -	- -	- -	- -	284,500	688,000	- -	- -	- -	972,500
57,000	- -	- -	- -	138,000	17,600	- -	- -	- -	212,600
23,000	- -	- -	- -	- -	16,000	- -	- -	- -	39,000
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
126,000	- -	- -	- -	50,000	- -	- -	- -	- -	176,000
106,875	- -	- -	- -	65,000	- -	- -	- -	- -	171,875
- -	- -	- -	- -	67,300	- -	- -	- -	- -	67,300
- -	- -	- -	- -	23,500	- -	- -	- -	- -	23,500
- -	- -	154,500	- -	200,500	- -	- -	- -	- -	355,000
5,000	- -	29,100	- -	127,000	- -	- -	- -	- -	161,100
- -	- -	- -	- -	475,900	- -	- -	- -	- -	475,900
- -	- -	157,500	- -	199,100	- -	- -	- -	- -	356,600
30,000	- -	341,000	- -	678,500	- -	- -	- -	- -	1,049,500
- -	- -	87,500	- -	36,000	- -	- -	- -	- -	123,500
- -	- -	60,000	- -	73,500	- -	- -	- -	- -	133,500
- -	- -	- -	- -	74,500	- -	- -	- -	- -	74,500
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
- -	- -	- -	- -	14,300	- -	- -	- -	- -	14,300
- -	- -	- -	- -	94,700	- -	- -	- -	- -	94,700
- -	- -	- -	- -	2,000	- -	- -	- -	- -	2,000
- -	- -	16,000	- -	10,000	- -	- -	- -	- -	26,000
- -	- -	47,000	- -	55,200	- -	- -	- -	- -	102,200
- -	- -	86,000	- -	175,000	- -	- -	- -	- -	261,000
- -	- -	306,000	- -	389,000	- -	- -	- -	- -	695,000
- -	- -	272,300	- -	512,000	- -	- -	- -	- -	784,300
347,875	- -	1,604,400	- -	5,996,400	1,708,300	- -	- -	- -	9,656,975

RETURN of the several Rates at which the Bank of *England* has advanced Money on

1855:	At 1½ per Cent. £.	At 2 per Cent. £.	At 2¼ per Cent. £.	At 2½ per Cent. £.	At 2¾ per Cent. £.	At 3 per Cent. £.	At 3¼ per Cent. £.	At 3½ per Cent. £.
January 6	- -	- -	- -	- -	- -	- -	- -	- -
13	- -	- -	- -	- -	- -	- -	- -	- -
20	- -	- -	- -	- -	- -	- -	- -	- -
27	—	—	—	—	—	—	—	—
February 3	- -	- -	- -	- -	- -	- -	- -	- -
10	—	—	—	—	—	—	—	—
17	—	—	—	—	—	—	—	—
24	- -	- -	- -	- -	- -	- -	- -	- -
March 3	- -	- -	- -	- -	- -	- -	- -	- -
10	- -	- -	- -	- -	- -	- -	- -	- -
17	- -	- -	- -	- -	- -	- -	- -	- -
24	- -	- -	- -	- -	- -	- -	- -	- -
31	—	—	—	—	—	—	—	—
April 7	—	—	—	—	—	—	—	—
14	- -	- -	- -	- -	- -	- -	- -	- -
21	- -	- -	- -	- -	- -	- -	- -	- -
28	- -	- -	- -	- -	- -	- -	- -	- -
May 5	- -	- -	- -	- -	- -	- -	- -	- -
12	—	—	—	—	—	—	—	—
19	—	—	—	—	—	—	—	—
26	- -	- -	- -	- -	- -	- -	- -	- -
June 2	- -	- -	- -	- -	- -	- -	- -	- -
9	—	—	—	—	—	—	—	—
16	- -	- -	- -	- -	- -	8,000	- -	5,000
23	- -	- -	- -	- -	- -	308,842	- -	176,400
30	- -	- -	- -	- -	- -	109,000	- -	338,000
July 7	- -	- -	- -	- -	- -	- -	- -	78,000
14	—	—	—	—	—	—	—	—
21	—	—	—	—	—	—	—	—
28	- -	- -	- -	- -	- -	- -	- -	41,500
August 4	- -	- -	- -	- -	- -	- -	- -	119,150
11	- -	- -	- -	- -	- -	- -	- -	37,000
18	- -	- -	- -	- -	- -	- -	- -	81,100
25	- -	- -	- -	- -	- -	- -	- -	26,500
Sept. 1	- -	- -	- -	- -	- -	- -	- -	75,300
8	- -	- -	- -	- -	- -	118,500	- -	346,000
15	- -	- -	- -	- -	- -	- -	- -	400,020
22	- -	- -	- -	- -	- -	- -	- -	- -
29	- -	- -	- -	- -	- -	- -	- -	- -
October 6	- -	- -	- -	- -	- -	- -	- -	- -
13	- -	- -	- -	- -	- -	- -	- -	- -
20	- -	- -	- -	- -	- -	- -	- -	- -
27	- -	- -	- -	- -	- -	- -	- -	- -
Nov. 3	- -	- -	- -	- -	- -	- -	- -	- -
10	- -	- -	- -	- -	- -	- -	- -	- -
17	- -	- -	- -	- -	- -	- -	- -	- -
24	- -	- -	- -	- -	- -	- -	- -	- -
Dec. 1	- -	- -	- -	- -	- -	- -	- -	- -
8	- -	- -	- -	- -	- -	- -	- -	- -
15	- -	- -	- -	- -	- -	- -	- -	- -
22	- -	- -	- -	- -	- -	- -	- -	- -
29	- -	- -	- -	- -	- -	- -	- -	- -
£.	- -	- -	- -	- -	- -	544,342	- -	1,723,970

Loan, with the Date at which each such Rate has been established, &c.—*continued.*

At 4 per Cent.	At 4¼ per Cent.	At 4½ per Cent.	At 4¾ per Cent.	At 5 per Cent.	At 5½ per Cent.	At 6 per Cent.	At 6½ per Cent.	At 7 per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- - -	78,000	- -	120,000	- -	- -	- - -	- - -	198,000
- -	- - -	- -	- -	14,000	- -	- -	- - -	- - -	14,000
- -	- - -	- -	- -	66,000	- -	- -	- - -	- - -	66,000
—	—	—	—	—	—	—	—	—	—
- -	- - -	- -	- -	21,400	- -	- -	- - -	- - -	21,400
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
- -	- - -	- -	- -	17,000	- -	- -	- - -	- - -	17,000
- -	- - -	35,000	- -	99,000	- -	- -	- - -	- - -	134,000
- -	- - -	8,000	- -	12,000	- -	- -	- - -	- -	20,000
- -	- - -	- -	- -	2,000	- -	- -	- - -	- -	2,000
- -	- - -	- -	- -	10,000	- -	- -	- - -	- -	10,000
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
- -	- - -	19,000	- -	- -	- -	- -	- - -	- - -	19,000
- -	- - -	28,300	- -	- -	- -	- -	- - -	- - -	28,300
- -	- - -	9,500	- -	- -	- -	- -	- - -	- -	9,500
- -	- - -	8,000	- -	- -	- -	- -	- - -	- -	8,000
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
1,350	- -	- -	- -	- -	- -	- -	- - -	- -	1,350
22,000	- -	- -	- -	5,000	- -	- -	- - -	- -	27,000
—	—	—	—	—	—	—	—	—	—
- -	- - -	- -	- -	- -	- -	- -	- - -	- -	13,000
- -	- - -	- -	- -	- -	- -	- -	- - -	- -	485,242
- -	- - -	- -	- -	- -	- -	- -	- - -	- -	447,000
- -	- - -	- -	- -	- -	- -	- -	- - -	- -	78,000
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
- -	- - -	- -	- -	- -	- -	- -	- - -	- -	41,500
- -	- - -	- -	- -	- -	- -	- -	- - -	- -	119,150
- -	- - -	- -	- -	- -	- -	- -	- - -	- -	37,000
- -	- - -	- -	- -	- -	- -	- -	- - -	- -	81,100
- -	- - -	- -	- -	- -	- -	- -	- - -	- -	26,500
- -	- - -	-	- -	- -	- -	- -	- - -	- -	75,300
1,500	- - -	- -	- -	- -	- -	- -	- - -	- -	466,000
273,000	- - -	15,300	- -	- -	- -	- -	- - -	- -	688,320
153,648	- - -	220,000	- -	- -	- -	- -	- - -	- -	373,648
13,600	- - -	837,000	- -	- -	- -	- -	- - -	- -	850,600
- -	- - -	17,000	- -	1,900	44,800	- -	- - -	- -	63,700
- -	- - -	- -	- -	- -	122,700	- -	- - -	- -	122,700
- -	- - -	- -	- -	- -	197,100	77,700	- - -	- -	274,800
- -	- - -	- -	- -	- -	- -	105,000	- - -	- -	105,000
- -	- - -	- -	- -	- -	- -	51,400	- -	3,200	54,600
- -	- - -	- -	- -	- -	- -	- -	- -	475	475
- -	- - -	- -	- -	- -	- -	88,000	- -	25,200	113,200
- -	- - -	- -	- -	- -	- -	591,200	- -	110,100	701,300
- -	- - -	- -	- -	- -	- -	46,000	- -	17,100	63,100
- -	- - -	- -	- -	- -	- -	153,900	- -	1,650	155,550
- -	- - -	- -	- -	- -	- -	508,090	- -	- -	508,090
- -	- - -	- -	- -	- -	- -	501,750	- -	110,700	612,450
- -	- - -	- -	- -	- -	- -	591,100	- -	12,400	603,500
465,998	- - -	1,275,100	- -	368,300	364,600	2,714,140	- -	280,825	7,736,375

RETURN of the several Rates at which the Bank of *England* has advanced Money on

——	At 1½ per Cent.	At 2 per Cent.	At 2¼ per Cent.	At 2½ per Cent.	At 2¾ per Cent.	At 3 per Cent.	At 3¼ per Cent.	At 3½ per Cent.
1856:	£.	£.	£.	£.	£.	£.	£.	£.
January 5	- -	- -	- -	- -	- -	- - -	- - -	- - -
12	- -	- -	- -	- -	- -	- - -	- - -	- - -
19	- -	- -	- -	- -	- -	- - -	- - -	- - -
26	- -	- -	- -	- -	- -	- - -	- - -	- - -
February 2	- -	- -	- -	- -	- -	- - -	- - -	- - -
9	- -	- -	- -	- -	- -	- - -	- - -	- - -
16	- -	- -	- -	- -	- -	- - -	- - -	- - -
23	- -	- -	- -	- -	- -	- - -	- - -	- - -
March 1	- -	- -	- -	- -	- -	- - -	- - -	- - -
8	- -	- -	- -	- -	- -	- - -	- - -	- - -
15	- -	- -	- -	- -	- -	- - -	- - -	- - -
22	- -	- -	- -	- -	- -	- - -	- - -	- - -
29	- -	- -	- -	- -	- -	- - -	- - -	- - -
April 5	- -	- -	- -	- -	- -	- - -	- - -	- - -
12	- -	- -	- -	- -	- -	- - -	- - -	- - -
19	- -	- -	- -	- -	- -	- - -	- - -	- - -
26	- -	- -	- -	- -	- -	- - -	- - -	- - -
May 3	- -	- -	- -	- -	- -	- - -	- - -	- - -
10	- -	- -	- -	- -	- -	- - -	- - -	- - -
17	- -	- -	- -	- -	- -	- - -	- - -	- - -
24	- -	- -	- -	- -	- -	- - -	- - -	- - -
31	- -	- -	- -	- -	- -	- - -	- - -	- - -
June 7	- -	- -	- -	- -	- -	- - -	- - -	- - -
14	- -	- -	- -	- -	- -	- - -	- - -	- - -
21	- -	- -	- -	- -	- -	- - -	- - -	- - -
28	- -	- -	- -	- -	- -	- - -	- - -	- - -
July 5	- -	- -	- -	- -	- -	- - -	- - -	- - -
12	- -	- -	- -	- -	- -	- - -	- - -	- - -
19	- -	- -	- -	- -	- -	- - -	- - -	- - -
26	- -	- -	- -	- -	- -	- - -	- - -	- - -
August 2	- -	- -	- -	- -	- -	- - -	- - -	- - -
9	- -	- -	- -	- -	- -	- - -	- - -	- - -
16	- -	- -	- -	- -	- -	- - -	- - -	- - -
23	- -	- -	- -	- -	- -	- - -	- - -	- - -
30	- -	- -	- -	- -	- -	- - -	- - -	- - -
Sept. 6	- -	- -	- -	- -	- -	- - -	- - -	- - -
13	- -	- -	- -	- -	- -	- - -	- - -	- - -
20	- -	- -	- -	- -	- -	- - -	- - -	- - -
27	- -	- -	- -	- -	- -	- - -	- - -	- - -
October 4	- -	- -	- -	- -	- -	- - -	- - -	- - -
11	- -	- -	- -	- -	- -	- - -	- - -	- - -
18	- -	- -	- -	- -	- -	- - -	- - -	- - -
25	- -	- -	- -	- -	- -	- - -	- - -	- - -
Nov. 1	- -	- -	- -	- -	- -	- - -	- - -	- - -
8	- -	- -	- -	- -	- -	- - -	- - -	- - -
15	- -	- -	- -	- -	- -	- - -	- - -	- - -
22	- -	- -	- -	- -	- -	- - -	- - -	- - -
29	- -	- -	- -	- -	- -	- - -	- - -	- - -
Dec. 6	- -	- -	- -	- -	- -	- - -	- - -	- - -
13	- -	- -	- -	- -	- -	- - -	- - -	- - -
20	- -	- -	- -	- -	- -	- - -	- - -	- - -
27	- -	- -	- -	- -	- -	- - -	- - -	- - -
£.	- -	- -	- -	- -	- -	- - -	- - -	- - -

Bank of England, 25 February 1857.

Loan, with the Date at which each such Rate has been established, &c.—*continued.*

At 4 per Cent.	At 4¼ per Cent.	At 4½ per Cent.	At 4¾ per Cent.	At 5 per Cent.	At 5½ per Cent.	At 6 per Cent.	At 6½ per Cent.	At 7 per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- -	- -	- -	- -	- -	337,060	- -	9,000	346,060
- -	- -	- -	- -	- -	- -	68,110	- -	- -	68,110
- -	- -	- -	- -	- -	- -	13,200	- -	6,300	19,500
- -	- -	- -	- -	- -	- -	347,997	- -	15,000	362,997
- -	- -	- -	- -	- -	- -	829,600	- -	- -	829,600
- -	- -	- -	- -	- -	- -	461,150	- -	25,100	486,250
- -	- -	- -	- -	- -	- -	459,000	- -	- -	459,000
- -	- -	- -	- -	- -	- -	936,350	- -	26,250	962,600
- -	- -	- -	- -	- -	- -	370,400	- -	4,000	374,400
- -	- -	- -	- -	- -	- -	825,300	- -	17,000	842,300
- -	- -	- -	- -	- -	- -	680,250	- -	1,900	682,150
- -	- -	- -	- -	- -	- -	257,400	- -	18,300	275,700
- -	- -	- -	- -	- -	- -	1,325,850	- -	1,900	1,327,750
- -	- -	- -	- -	- -	- -	838,200	- -	5,850	844,050
- -	- -	- -	- -	- -	- -	434,600	- -	18,800	453,400
- -	- -	- -	- -	- -	- -	228,900	- -	16,000	244,900
- -	- -	- -	- -	- -	- -	765,200	- -	4,700	769,900
- -	- -	- -	- -	- -	- -	449,300	- -	- -	449,300
- -	- -	- -	- -	- -	- -	565,100	- -	19,750	584,850
- -	- -	- -	- -	- -	- -	1,548,200	- -	1,900	1,550,100
- -	- -	- -	- -	- -	- -	39,700	- -	20,600	60,300
- -	- -	- -	- -	386,800	- -	- -	- -	- -	386,800
- -	- -	- -	- -	591,500	- -	- -	- -	- -	591,500
- -	- -	- -	- -	363,860	- -	- -	- -	- -	363,860
- -	- -	- -	- -	347,800	- -	- -	- -	- -	347,800
- -	- -	721,200	- -	8,000	- -	- -	- -	- -	729,200
- -	- -	663,100	- -	- -	- -	- -	- -	- -	663,100
50,000	- -	83,850	- -	- -	- -	- -	- -	- -	133,850
- -	- -	274,900	- -	- -	- -	- -	- -	- -	274,900
- -	- -	224,700	- -	- -	- -	- -	- -	- -	224,700
- -	- -	577,100	- -	- -	- -	- -	- -	- -	577,100
- -	- -	710,400	- -	- -	- -	- -	- -	- -	710,400
- -	- -	1,283,100	- -	- -	- -	- -	- -	- -	1,283,100
- -	- -	59,250	- -	- -	- -	- -	- -	- -	59,250
20,000	- -	1,116,700	- -	- -	- -	- -	- -	- -	1,136,700
- -	- -	527,800	- -	- -	- -	- -	- -	- -	527,800
- -	- -	1,331,300	- -	- -	- -	- -	- -	- -	1,331,300
- -	- -	963,300	- -	- -	- -	- -	- -	- -	963,300
- -	- -	902,890	- -	- -	- -	- -	- -	- -	902,890
- -	- -	716,300	- -	57,100	- -	- -	- -	- -	773,400
- -	- -	- -	- -	- -	- -	278,600	- -	4,500	283,100
- -	- -	- -	- -	- -	- -	284,200	- -	21,800	306,000
- -	- -	- -	- -	- -	- -	122,000	- -	42,400	164,400
- -	- -	- -	- -	- -	- -	87,000	- -	1,000	88,000
- -	- -	- -	- -	- -	- -	1,500	- -	1,500	3,000
- -	- -	- -	- -	- -	- -	139,500	- -	220,000	359,500
- -	- -	- -	- -	- -	- -	- -	- -	50,800	50,800
- -	- -	- -	- -	- -	- -	- -	- -	177,350	177,350
- -	- -	- -	- -	- -	- -	- -	415,800	321,700	737,500
- -	- -	- -	- -	- -	- -	- -	452,500	- -	452,500
- -	- -	- -	- -	- -	- -	605,700	290,300	- -	896,000
- -	- -	- -	- -	- -	- -	1,962,450	- -	- -	1,962,450
70,000	- -	10,155,890	- -	1,755,060	- -	15,261,817	1,158,600	1,053,400	29,454,767

M. Marshall, Chief Cashier.

Appendix, No. 6.

A RETURN of the Highest and Lowest Rates at which the Bank has advanced Money on Loan or Discount, with the Date at which each such Rate has been established, and the Period during which it has prevailed, and the Amount of Money advanced under each such Rate, from the 1st January 1844 to the latest Period to which the same can be made up.

AMOUNT DISCOUNTED AT THE UNDERMENTIONED PERIODS.

For the Week ending	At 2½ per Cent.	At 3 per Cent.	At 4 per Cent.	TOTAL.
1844:	£.	£.	£.	£.
January 6	-	-	11,584	11,584
„ 13	-	-	39,925	39,925
„ 20	-	-	12,699	12,699
„ 27	-	-	5,197	5,197
February 3	-	-	25,003	25,003
„ 10	-	-	11,296	11,296
„ 17	-	-	11,606	11,606
„ 24	-	-	9,481	9,481
March 2	-	-	24,414	24,414
„ 9	-	-	16,495	16,495
„ 16	-	-	9,982	9,982
„ 23	-	-	6,523	6,523
„ 30	-	-	12,741	12,741
April 6	-	-	9,838	9,838
„ 13	-	-	29,838	29,838
„ 20	-	-	11,599	11,599
„ 27	-	-	8,009	8,009
May 4	-	-	3,643	3,643
„ 11	-	-	10,178	10,178
„ 18	-	-	12,348	12,348
„ 25	-	-	11,573	11,573
June 1	-	-	11,891	11,891
„ 8	-	-	7,799	7,799
„ 15	-	-	6,541	6,541
„ 22	-	-	9,010	9,010
„ 29	-	-	6,311	6,311

RETURN of Highest and Lowest Rates at which the Bank has advanced Money, &c.—*continued.*

Appendix, No. 6.

For the Week ending	At 2½ per Cent.	At 3 per Cent.	At 4 per Cent.	TOTAL.
1844—*continued.*	£.	£.	£.	£.
July - - - 6	- - -	- - -	19,764	19,764
„ - - - 13	- - -	- - -	12,591	12,591
„ - - - 20	- - -	- - -	22,648	22,648
„ - - - 27	- - -	- - -	6,652	6,652
August - - - 3	- - -	- - -	10,589	10,589
„ - - - 10	- - -	- - -	8,300	8,300
„ - - - 17	- - -	- - -	8,033	8,033
„ - - - 24	- - -	- - -	12,308	12,308
„ - - - 31	- - -	- - -	3,974	3,974
September - - 7	1,891	4,804	8,221	14,916
„ - - - 14	1,200	21,237	- - -	22,437
„ - - - 21	2,342	13,234	- - -	15,576
„ - - - 28	6,012	6,793	- - -	12,805
October - - - 5	10,684	14,891	- - -	25,575
„ - - - 12	6,757	7,991	- - -	14,748
„ - - - 19	90,738	20,095	- -	110,833
„ - - - 26	112,365	11,908	- - -	124,273
November - - 2	290,092	41,193	- - -	331,285
„ - - - 9	105,398	23,363	- - -	128,761
„ - - - 16	289,159	28,359	- - -	317,518
„ - - - 23	239,443	22,099	- - -	261,542
„ - - - 30	454,889	20,729	- - -	475,618
December - - 7	68,723	24,633	- - -	93,356
„ - - - 14	28,682	38,132	- - -	66,814
„ - - - 21	131,086	21,254	- - -	152,340
„ - - - 28	17,855	16,834	- - -	34,689
TOTAL - - - £.	1,857,316	337,549	448,604	2,643,469

RETURN of the Highest and Lowest Rates at which the Bank has advanced Money on

Week ending	At 2½ per Cent.	At 2¾ per Cent.	At 3 per Cent.	At 3¼ per Cent.	At 3½ per Cent.	At 3¾ per Cent.	At 4 per Cent.	At 4¼ per Cent.	At 4½ per Cent.	At 5 per Cent.	TOTAL.
1845:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
January 4	222,266	- -	15,485	- -	- -	- -	- -	- -	- -	- -	237,751
11	11,905	- -	10,192	- -	- -	- -	- -	- -	- -	- -	22,097
18	8,609	- -	10,035	- -	- -	- -	- -	- -	- -	- -	18,644
25	24,605	- -	17,988	- -	- -	- -	- -	- -	- -	- -	42,593
February 1	19,145	- -	13,452	- -	- -	- -	- -	- -	- -	- -	32,597
8	139,340	- -	21,968	- -	- -	- -	- -	- -	- -	- -	161,308
15	268,328	- -	26,035	- -	- -	- -	- -	- -	- -	- -	294,363
22	224,988	- -	31,261	- -	- -	- -	- -	- -	- -	- -	256,249
March 1	117,128	- -	17,650	- -	- -	- -	- -	- -	- -	- -	134,778
8	101,882	- -	23,001	- -	- -	- -	- -	- -	- -	- -	124,883
15	259,757	- -	51,150	- -	5,506	- -	473	- -	- -	- -	316,886
22	223,088	- -	15,425	- -	6,074	- -	2,765	- -	- -	- -	247,352
29	491,678	- -	14,729	- -	10,143	- -	5,211	- -	- -	- -	521,761
April 5	225,631	11,669	10,146	- -	6,843	- -	5,470	- -	- -	- -	259,759
12	66,469	4,941	15,782	- -	2,970	- -	3,290	- -	- -	- -	93,452
19	310,080	50,526	16,217	- -	6,929	- -	916	- -	- -	- -	384,668
26	77,043	11,035	11,435	4,181	2,280	- -	1,563	- -	- -	- -	107,537
May 3	484,121	5,515	20,416	3,793	1,064	- -	498	- -	- -	- -	515,407
10	265,921	24,120	12,983	900	2,525	- -	1,965	- -	- -	- -	308,414
17	449,550	18,242	15,679	- -	2,945	- -	5,726	- -	- -	- -	492,142
24	251,271	10,276	9,808	1,884	8,983	- -	1,981	- -	- -	- -	284,203
31	292,135	22,229	8,427	- -	4,907	- -	7,070	- -	- -	- -	334,768
June 7	144,464	25,134	10,135	949	3,746	- -	- -	- -	- -	- -	184,428
14	65,238	19,232	22,520	1,516	352	- -	3,521	- -	- -	- -	112,379
21	267,121	8,041	4,470	- -	980	- -	1,271	- -	- -	- -	281,883
28	447,982	1,687	13,771	- -	1,876	- -	6,666	- -	- -	- -	471,982
July 5	533,178	2,296	18,496	3,947	3,378	- -	1,660	- -	- -	- -	562,955
12	135,903	14,775	16,327	1,262	- -	- -	6,826	- -	- -	- -	175,093
19	360,827	12,547	14,338	- -	1,500	- -	1,490	- -	- -	- -	390,702
26	349,122	6,260	8,629	- -	5,116	- -	3,165	- -	- -	- -	372,292
August 2	685,792	5,747	631	4,434	1,414	- -	2,585	- -	- -	- -	700,603
9	255,529	4,708	16,071	818	7,349	- -	1,189	- -	- -	- -	285,664
16	190,065	7,763	23,431	988	1,950	- -	2,000	- -	- -	- -	226,197
23	86,153	6,667	27,012	2,836	265	- -	1,917	- -	- -	- -	124,850
30	124,566	5,804	10,782	- -	1,725	- -	3,360	- -	- -	- -	146,237
Sept. 6	335,590	2,531	9,779	- -	414	- -	4,281	- -	- -	- -	352,595
13	341,120	9,269	16,140	- -	2,023	- -	629	- -	- -	- -	369,181
20	663,460	2,814	11,038	308	- -	- -	2,727	- -	- -	- -	680,347
27	458,874	8,294	28,424	- -	2,708	- -	2,923	- -	- -	- -	501,223
October 4	751,090	12,706	33,067	637	3,608	- -	974	- -	- -	- -	802,082
11	270,899	1,250	29,726	- -	6,014	- -	1,920	- -	- -	- -	309,809
18	254,613	1,764	50,495	- -	6,421	- -	5,404	- -	1,070	3,436	323,203
25	- -	- -	71,710	13,451	11,363	- -	10,571	- -	640	6,275	114,010
Nov. 1	- -	- -	1,061,499	13,340	7,350	- -	8,187	- -	3,057	3,888	1,097,321
8	- -	- -	642,336	34,649	212,268	15,444	71,503	1,218	9,184	11,056	997,658
15	- -	- -	- -	- -	731,645	11,681	64,441	6,465	30,581	19,575	864,388
22	- -	- -	- -	- -	386,463	3,069	78,297	16,553	22,042	14,959	521,383
29	- -	- -	- -	- -	429,875	3,719	72,504	5,035	21,899	18,524	551,556
Dec. 6	- -	- -	- -	- -	469,724	- -	39,951	7,000	77,301	42,317	636,293
13	- -	- -	- -	- -	287,475	- -	52,810	- -	31,607	33,586	405,478
20	- -	- -	- -	- -	334,925	- -	38,443	19,938	28,691	25,044	447,041
27	- -	- -	- -	- -	287,149	- -	13,558	5,685	18,055	13,884	338,331
TOTAL - £.	11,256,526	317,842	2,530,091	89,893	3,270,245	33,913	541,701	61,894	244,127	192,544	18,538,776

Discount, with the Date at which each such Rate has been established, &c.—*continued.*

Week ending	At 3 per Cent.	At 3¼ per Cent.	At 3½ per Cent.	At 3¾ per Cent.	At 4 per Cent.	At 4½ per Cent.	At 4½ per Cent.	At 5 per Cent.	TOTAL.
1846:	£.	£.	£.	£.	£.	£.	£.	£.	£.
January 3	- - -	- - -	440,230	- - -	19,941	22,382	7,777	18,112	508,442
10	- - -	- - -	241,074	2,502	32,638	56,880	33,050	8,956	375,100
17	- - -	- - -	469,652	14,690	39,017	3,613	57,204	7,385	591,561
24	- - -	- - -	1,044,370	29,643	70,278	7,704	50,435	40,399	1,242,829
31	- - -	- - -	1,360,957	64,618	80,174	36,504	74,803	63,424	1,680,480
February 7	- - -	- - -	859,641	44,607	221,629	11,155	74,910	39,376	1,251,318
14	- - -	- - -	1,008,569	22,261	186,987	6,142	29,481	21,933	1,275,373
21	- - -	- - -	1,590,396	46,773	105,461	10,521	18,734	17,122	1,789,007
28	- - -	- - -	576,752	5,888	145,250	29,422	31,163	16,024	804,499
March 7	- - -	- - -	522,398	12,441	121,199	3,956	24,564	2,269	686,827
14	- - -	- - -	511,614	24,206	122,598	16,722	27,186	10,321	712,647
21	- - -	- - -	1,028,537	13,847	65,261	- - -	15,850	852	1,124,347
28	- - -	- - -	927,532	26,417	89,049	- - -	3,995	1,403	1,048,396
April 4	- - -	- - -	657,885	11,022	56,031	3,208	8,757	3,757	740,660
11	- - -	- - -	726,213	26,736	94,624	6,988	13,898	4,691	873,150
18	- - -	- - -	404,058	50,532	46,890	4,891	11,343	2,131	519,845
25	- - -	- - -	250,319	32,128	45,759	- - -	9,019	6,598	343,823
May 2	- - -	- - -	682,295	13,588	67,669	2,377	7,989	- - -	773,918
9	- - -	- - -	840,984	62,950	106,866	5,263	7,764	579	1,024,406
16	- - -	- - -	856,739	27,427	92,407	1,615	17,649	13,900	1,009,737
23	- - -	- - -	630,092	25,536	80,279	6,524	1,084	3,070	746,585
30	- - -	- - -	600,396	24,435	65,022	6,182	3,133	- - -	699,168
June 6	- - -	- - -	295,014	19,650	62,641	3,664	6,778	- - -	387,747
13	- - -	- - -	679,397	13,675	71,924	5,111	12,203	- - -	782,310
20	- - -	- - -	581,530	26,945	55,965	- - -	2,994	518	667,952
27	- - -	- - -	518,399	21,895	65,091	- - -	1,490	890	607,765
July 4	- - -	- - -	572,893	18,269	48,952	584	3,274	- - -	643,972
11	- - -	- - -	338,638	27,086	52,239	- - -	1,491	- - -	419,454
18	- - -	- - -	355,298	36,118	35,545	- - -	4,069	- - -	431,030
25	- - -	- - -	191,769	22,564	19,771	- - -	3,442	- - -	237,546
August 1	- - -	- - -	218,752	15,198	34,916	527	100	- - -	269,493
8	- - -	- - -	584,464	20,115	57,686	- - -	300	- - -	662,565
15	- - -	- - -	355,484	17,189	66,474	- - -	92	- - -	439,239
22	- - -	- - -	171,559	31,185	54,147	- - -	- - -	- - -	256,891
29	74,888	7,595	113,439	17,555	14,681	- - -	- - -	- - -	228,158
September 5	190,528	25,986	47,372	4,846	5,775	- - -	- - -	- - -	274,507
12	300,250	2,298	33,797	2,461	4,921	- - -	2,000	- - -	345,727
19	580,925	29,519	23,889	- - -	2,403	- - -	- - -	- - -	636,736
26	478,215	15,245	40,177	6,701	10,255	- - -	738	819	552,150
October 3	513,286	6,927	47,240	3,488	10,546	- - -	120	- - -	581,607
10	598,561	26,102	26,221	- - -	6,100	- - -	379	- - -	657,363
17	200,327	20,608	47,464	- - -	7,087	- - -	- - -	- - -	275,486
24	97,884	33,418	22,019	- - -	9,632	- - -	- - -	- - -	162,953
31	269,391	32,492	23,740	- - -	12,715	- - -	- - -	- - -	338,338
November 7	311,592	51,551	30,841	1,854	10,654	1,288	4,075	699	412,554
14	571,455	80,583	53,806	- - -	31,639	- - -	- - -	- - -	737,483
21	748,235	43,234	29,430	- - -	9,052	- - -	- - -	- - -	829,951
28	372,006	37,948	38,394	- - -	7,789	- - -	4,874	- - -	461,011
December 5	455,565	44,560	33,495	- - -	31,122	- - -	5,862	- - -	570,604
12	427,195	96,963	48,244	2,730	24,303	- - -	- - -	- - -	599,435
19	226,314	25,291	19,741	2,643	13,998	- - -	- - -	- - -	287,987
26	546,870	72,541	23,978	- - -	30,113	- - -	- - -	- - -	673,502
TOTAL - £.	6,963,487	652,861	21,797,187	894,414	2,823,165	253,223	584,069	285,228	34,253,634

RETURN of the Highest and Lowest Rates at which the Bank has advanced Money on

Week ending	At 3 per Cent.	At 3¼ per Cent.	At 3½ per Cent.	At 3¾ per Cent.	At 4 per Cent.	At 4¼ per Cent.	At 4½ per Cent.	At 4¾ per Cent.	At 5 per Cent.	At 5¼ per Cent.	At 5½ per Cent.	At 5¾ per Cent.	At 6 per Cent.
1847:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
January 2	507,785	37,002	27,757	1,983	8,114	- -	- -	- -	285	- -	- -	- -	- -
9	352,387	45,957	39,583	- -	19,524	- -	- -	- -	- -	- -	- -	- -	- -
16	385,322	12,705	147,856	28,589	22,494	- -	25,021	- -	2,138	- -	- -	- -	- -
23	- -	- -	364,516	7,709	114,751	24,677	32,736	- -	37,256	- -	- -	- -	1,418
30	- -	- -	- -	- -	268,655	43,453	53,842	- -	14,903	- -	6,818	- -	- -
February 6	- -	- -	- -	- -	550,262	95,834	42,862	- -	15,117	- -	4,690	- -	9,052
13	- -	- -	- -	- -	1,135,267	83,268	101,863	3,553	17,356	- -	- -	- -	- -
20	- -	- -	- -	- -	408,111	31,776	51,125	- -	13,598	- -	- -	- -	3,966
27	- -	- -	- -	- -	646,148	49,042	19,525	- -	10,429	- -	7,181	- -	6,678
March 6	- -	- -	- -	- -	1,054,333	69,180	97,219	- -	15,899	- -	- -	- -	- -
13	- -	- -	- -	- -	625,886	85,475	67,505	15,974	28,345	- -	- -	- -	- -
20	- -	- -	- -	- -	461,043	23,717	71,395	11,324	47,821	- -	5,366	- -	- -
27	- -	- -	- -	- -	382,867	17,957	41,880	- -	10,367	- -	- -	- -	9,294
April 3	- -	- -	- -	- -	759,573	17,811	89,524	- -	36,401	- -	1,756	- -	- -
10	- -	- -	- -	- -	380,418	5,177	58,543	2,905	135,542	4,633	35,787	- -	25,051
17	- -	- -	- -	- -	- -	- -	- -	- -	174,123	6,783	84,710	12,735	40,436
24	- -	- -	- -	- -	- -	- -	- -	- -	67,798	- -	77,719	- -	73,611
May 1	- -	- -	- -	- -	- -	- -	- -	- -	495,082	20,014	434,564	6,318	215,195
8	- -	- -	- -	- -	- -	- -	- -	- -	52,068	23,808	199,155	6,173	775,297
15	- -	- -	- -	- -	- -	- -	- -	- -	90,479	- -	179,111	- -	386,519
22	- -	- -	- -	- -	- -	- -	- -	- -	586,405	27,824	201,038	7,262	98,664
29	- -	- -	- -	- -	- -	- -	- -	- -	566,032	15,609	79,991	- -	25,285
June 5	- -	- -	- -	- -	- -	- -	- -	- -	472,653	20,124	100,141	- -	78,733
12	- -	- -	- -	- -	- -	- -	- -	- -	780,825	43,144	136,690	- -	49,765
19	- -	- -	- -	- -	- -	- -	- -	- -	543,113	238,447	85,954	- -	19,522
26	- -	- -	- -	- -	- -	- -	- -	- -	516,045	26,200	62,769	- -	16,893
July 3	- -	- -	- -	- -	- -	- -	- -	- -	834,335	77,334	61,969	- -	5,399
10	- -	- -	- -	- -	- -	- -	- -	- -	501,729	146,245	103,467	- -	7,277
17	- -	- -	- -	- -	- -	- -	- -	- -	529,664	97,199	56,564	- -	- -
24	- -	- -	- -	- -	- -	- -	- -	- -	409,188	57,331	50,762	466	13,564
31	- -	- -	- -	- -	- -	- -	- -	- -	471,872	43,543	52,708	- -	38,908
August 7	- -	- -	- -	- -	- -	- -	- -	- -	94,993	3,587	311,762	14,432	147,835
14	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	510,663	32,566	235,300
21	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	361,208	28,908	234,926
28	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	322,674	13,979	200,102
Sept. 4	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	159,569	10,109	149,867
11	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	110,450	23,067	223,226
18	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	176,761	7,154	426,387
25	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	391,677	36,818	693,979
October 2	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	371,393	69,011	394,642
9	- -	- -	- -	- -	- -	- -	- -	- -	15,000	- -	99,715	4,503	644,896
16	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	58,478	5,704	260,504
23	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	7,178	- -	38,825
30	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Nov. 6	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
13	- -	- -	- -	- -	- -	- -	- -	- -	15,000	- -	- -	- -	- -
20	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
27	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Dec. 4	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	190,613
11	- -	- -	- -	- -	- -	- -	- -	- -	10,000	- -	- -	- -	374,871
18	- -	- -	- -	- -	- -	- -	- -	- -	10,000	- -	- -	- -	192,995
24	- -	- -	- -	- -	- -	- -	- -	- -	137,934	9,903	14,026	- -	129,670
TOTAL - £.	1,245,494	95,664	579,712	38,281	6,837,446	547,367	753,040	33,756	7,759,795	861,728	4,924,484	279,205	6,439,165

Bank of England,
18 January 1848.

Discount, with the Date at which each such Rate has been established, &c.—*continued.*

At 6¼ per Cent.	At 6½ per Cent.	At 6¾ per Cent.	At 7 per Cent.	At 7¼ per Cent.	At 7½ per Cent.	At 7¾ per Cent.	At 8 per Cent.	At 8¼ per Cent.	At 8½ per Cent.	At 8¾ per Cent.	At 9 per Cent.	At 9½ per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	582,926
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	457,451
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	624,125
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	583,063
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	387,671
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	717,817
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,341,307
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	508,576
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	739,003
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,236,631
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	823,185
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	620,666
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	462,365
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	905,065
- -	3,741	- -	3,084	- -	- -	- -	- -	- -	- -	- -	- -	- -	654,881
- -	1,162	- -	1,436	- -	- -	- -	- -	- -	- -	- -	- -	- -	321,385
- -	1,164	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	220,292
- -	42,742	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,213,915
- -	158,773	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,215,274
- -	80,112	- -	11,725	- -	- -	- -	- -	- -	- -	- -	- -	- -	747,946
- -	8,807	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	930,020
- -	16,216	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	703,133
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	671,651
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,010,424
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	887,036
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	621,907
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	979,037
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	751,441
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	690,704
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	531,311
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	607,031
55,130	46,461	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	674,200
41,986	40,909	19,046	2,736	- -	- -	- -	- -	- -	- -	- -	- -	- -	883,206
32,170	60,469	- -	6,500	- -	- -	- -	- -	- -	- -	- -	- -	- -	724,181
69,806	24,922	4,891	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	636,374
81,592	49,706	4,582	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	455,425
55,787	37,884	5,184	3,000	- -	- -	- -	- -	- -	- -	- -	- -	- -	458,598
78,075	54,068	3,700	2,000	- -	- -	- -	- -	- -	- -	- -	- -	- -	748,145
110,878	36,979	6,329	91,494	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,368,154
74,477	203,777	47,078	27,184	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,187,562
66,873	473,474	107,453	120,874	- -	2,644	- -	- -	- -	- -	- -	- -	- -	1,535,432
17,481	304,197	71,733	312,431	49,788	195,514	14,171	134,456	- -	13,973	- -	223,044	- -	1,661,774
- -	2,922	84,171	- -	- -	144,266	- -	265,541	3,092	108,980	1,825	314,283	- -	971,083
- -	- -	- -	- -	- -	- -	- -	527,486	10,637	108,356	- -	194,598	- -	841,077
- -	- -	- -	- -	- -	- -	- -	195,067	5,439	240,302	- -	24,613	4,856	470,277
- -	- -	- -	- -	- -	- -	- -	207,505	55,994	157,014	2,470	1,911	- -	439,894
- -	- -	- -	- -	- -	- -	- -	191,604	13,960	79,579	- -	22,312	- -	307,455
- -	- -	- -	324,075	19,430	47,515	- -	158,637	- -	- -	- -	- -	- -	549,657
16,875	77,158	- -	198,385	1,801	21,552	- -	- -	- -	- -	- -	- -	- -	566,384
43,997	86,863	- -	23,315	- -	- -	- -	- -	- -	- -	- -	- -	- -	539,046
68,405	42,285	- -	4,820	- -	- -	- -	- -	- -	- -	- -	- -	- -	318,505
28,309	51,077	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	370,919
841,841	1,906,168	354,167	1,133,059	71,019	411,491	14,171	1,680,296	89,122	708,204	4,295	780,761	4,856	[illegible]

M. Marshall,
Chief Cashier.

Appendix, No. 7.

RETURN of the several RATES at which the BANK has Discounted BILLS of EXCHANGE, together with
to the Week ending 27th December 1856, both inclusive (in continuation of Appendix,

Week ending	3 per Cent.	3 ¼ per Cent.	3 ½ per Cent.	3 ¾ per Cent.	4 per Cent.
1848:	£.	£.	£.	£.	£.
January 1					
8					
15					
22					
29					62,520
February 5					67,638
12					60,697
19					123,963
26					76,305
March 4					114,238
11					126,223
18					119,272
25					73,027
April 1					128,947
8					164,471
15					86,994
22					68,901
29					69,848
May 6					58,665
13					78,566
20					54,935
27					116,247
June 3					76,790
10					53,273
17			37,397	10,364	21,030
24			108,106	19,238	18,734
July 1			63,061	43,714	25,760
8			124,796	46,951	22,843
15			84,995	37,428	7,659
22			42,824	23,558	6,188
29			56,840	17,972	12,155
August 5			54,270	14,979	14,986
12			45,287	21,433	18,138
19			32,156	24,276	14,797
26			81,566	41,346	33,860
September 2			43,015	28,760	32,110
9			70,579	39,405	23,254
16			39,355	28,982	10,787
23			54,660	22,498	4,266
30			30,353	25,593	15,205
October 7			61,686	38,857	29,705
14			48,036	14,999	19,740
21			38,519	23,792	2,228
28			41,962	26,081	18,860
November 4	28,228	15,685	15,041	8,792	14,245
11	48,682	29,687	6,913		
18	63,945	21,308	16,902	3,120	14,429
25	59,403	13,298	14,347		2,431
December 2	54,771	22,825	14,260	566	2,826
9	116,953	24,625	15,563	313	1,144
16	72,387	22,366	6,937		6,872
23	73,660	35,268	26,313		8,500
30	71,860	25,524	13,380		1,189
£.	589,889	210,586	1,289,119	563,017	2,185,460

Appendix, No. 7.

the Weekly Amount of Money Discounted under each such Rate, from the Week ending 1st January 1848 No. 14, to the Report from the Select Committee on Commercial Distress, 1848).

4 ¼ per Cent.	4 ½ per Cent.	5 per Cent.	5 ¼ per Cent.	5 ½ per Cent.	6 per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.
- - -	- - -	248,076	67,329	66,866	4,633	386,904
- - -	- - -	114,970	107,860	98,376	4,489	325,695
- - -	- - -	228,850	54,110	91,408	14,090	388,458
- - -	- - -	79,517	29,335	39,637	1,206	149,695
13,646	17,439	27,429	3,197	19,238	3,935	147,404
67,278	40,599	- - -	- - -	- - -	- - -	175,515
56,983	71,795	15,665	- - -	- - -	- - -	205,140
25,277	30,445	- - -	- - -	- - -	- - -	179,685
32,500	28,400	- - -	- - -	- - -	- - -	137,205
75,526	51,824	11,100	- - -	- - -	- - -	252,688
29,248	58,502	15,482	- - -	- - -	- - -	229,455
42,158	32,311	11,392	- - -	- - -	- - -	205,133
31,287	61,139	3,442	- - -	- - -	- - -	168,895
35,996	46,068	7,623	- - -	- - -	- - -	218,634
37,919	44,861	5,046	- - -	- - -	- - -	252,297
34,907	38,791	18,609	- - -	- - -	- - -	179,301
27,707	11,478	608	- - -	- - -	- - -	108,694
16,518	31,158	1,244	- - -	- - -	- - -	118,768
41,616	34,834	- - -	- - -	- - -	- - -	135,115
30,344	15,947	- - -	- - -	- - -	- - -	124,857
26,670	18,510	18,200	- - -	- - -	- - -	118,315
17,164	14,605	- - -	- - -	- - -	- - -	148,016
48,664	18,653	- - -	- - -	- - -	- - -	144,107
31,262	153,899	- - -	- - -	- - -	- - -	238,434
12,839	12,263	10,000	- - -	- - -	- - -	103,893
- - -	60,000	10,000	- - -	- - -	- - -	216,078
- - -	5,826	- - -	- - -	- - -	- - -	138,361
- - -	10,000	- - -	- - -	- - -	- - -	204,590
- - -	18,000	- - -	- - -	- - -	- - -	148,082
- - -	54,000	15,000	- - -	- - -	- - -	141,570
- - -	15,000	- - -	- - -	- - -	- - -	101,967
- - -	6,477	- - -	- - -	- - -	- - -	90,712
1,000	35,411	500	- - -	- - -	- - -	121,769
- - -	10,690	15,000	- - -	- - -	- - -	96,919
- - -	10,000	- - -	- - -	- - -	- - -	166,772
- - -	5,000	- - -	- - -	- - -	- - -	108,885
- - -	37,000	- - -	- - -	- - -	- - -	170,238
- - -	160,000	- - -	- - -	- - -	- - -	239,124
- - -	- - -	10,000	- - -	- - -	- - -	91,424
- - -	70,000	- - -	- - -	- - -	- - -	141,151
- - -	10,000	- - -	- - -	- - -	- - -	140,248
1,452	- - -	- - -	- - -	- - -	- - -	84,227
- - -	30,000	15,000	- - -	- - -	- - -	109,539
- - -	20,000	158	- - -	- - -	- - -	107,061
- - -	8,000	- - -	- - -	- - -	- - -	89,991
- - -	10,000	- - -	- - -	- - -	- - -	95,282
- - -	10,000	- - -	- - -	- - -	- - -	129,704
- - -	5,000	15,000	- - -	- - -	- - -	109,479
10,000	- - -	- - -	- - -	- - -	- - -	105,248
- - -	297,000	- - -	- - -	- - -	- - -	455,598
- - -	- - -	- - -	- - -	- - -	- - -	108,562
- - -	- - -	10,000	- - -	- - -	- - -	153,741
- - -	5,000	10,000	- - -	- - -	- - -	126,952
747,961	1,725,925	917,911	261,831	315,525	28,353	8,835,577

RETURN of the several Rates at which the Bank has Discounted Bills of Exchange, together

Week ending.	2½ per Cent.	2¾ per Cent.	3 per Cent.	3⅛ per Cent.	3½ per Cent.	4 per Cent.	4¼ per Cent.	4⅓ per Cent.	5 per Cent.	TOTAL.
1849:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
January 6	- -	- -	32,968	22,887	15,272	4,067	- -	- -	- -	75,194
13	- -	- -	50,397	30,427	13,605	3,118	- -	33,000	- -	130,547
20	- -	- -	67,695	20,832	8,847	2,569	- -	- -	- -	99,943
27	- -	- -	43,397	26,634	17,133	4,842	- -	- -	15,000	107,006
February 3	- -	- -	48,081	16,035	9,012	1,176	- -	- -	- -	74,304
10	- -	- -	28,834	21,708	11,638	6,335	- -	- -	- -	68,515
17	- -	- -	27,936	9,799	8,385	3,195	- -	2,230	- -	51,545
24	- -	- -	47,307	7,930	7,645	1,648	- -	2,000	15,000	81,530
March - 3	- -	- -	46,469	29,346	14,690	4,253	1,196	- -	- -	95,954
10	- -	- -	69,438	19,988	6,006	1,580	- -	105,000	- -	202,012
17	- -	- -	54,243	20,962	6,406	2,217	- -	10,000	- -	93,828
24	- -	- -	30,890	10,593	3,045	2,586	- -	10,000	- -	57,114
31	- -	- -	42,700	24,251	7,077	3,495	- -	- -	10,000	87,523
April - 7	- -	- -	54,887	15,141	7,310	2,000	- -	95,000	- -	174,338
14	- -	- -	72,364	22,412	3,240	2,899	- -	12,000	- -	112,915
21	- -	- -	53,445	12,208	5,938	3,664	- -	3,000	- -	78,255
28	- -	- -	57,316	6,259	1,544	- -	- -	2,000	15,000	82,119
May - 5	- -	- -	46,552	10,154	4,282	1,420	- -	- -	- -	62,408
12	- -	- -	61,011	6,864	8,104	- -	- -	60,000	- -	135,979
19	- -	- -	42,213	3,626	2,034	- -	- -	- -	- -	47,873
26	- -	- -	65,731	1,141	485	- -	- -	3,000	15,000	85,357
June - 2	- -	- -	41,466	13,093	1,632	- -	- -	- -	- -	56,191
9	- -	- -	57,810	9,623	4,453	926	- -	- -	- -	72,812
16	- -	- -	90,939	1,192	2,062	- -	- -	22,000	- -	116,193
23	- -	- -	74,707	6,407	3,671	1,379	- -	- -	10,000	96,164
30	- -	- -	62,705	4,119	1,612	- -	- -	3,878	10,000	82,314
July - 7	- -	- -	69,640	2,623	1,808	2,719	- -	- -	- -	76,790
14	- -	- -	63,844	5,401	1,332	- -	- -	10,000	- -	80,577
21	- -	- -	39,778	8,267	3,567	- -	- -	9,000	- -	60,612
28	- -	- -	49,865	5,590	1,431	- -	- -	- -	15,000	71,886
August 4	- -	- -	32,645	12,700	155	529	- -	- -	- -	46,029
11	- -	- -	53,939	5,737	1,603	546	- -	- -	- -	61,825
18	- -	- -	52,029	7,619	1,405	- -	- -	3,000	- -	64,053
25	- -	- -	65,041	4,122	5,450	- -	- -	- -	- -	74,613
September 1	- -	- -	32,153	2,460	6,333	- -	- -	- -	15,000	55,946
8	- -	- -	31,767	10,850	14,858	- -	- -	- -	- -	57,475
15	- -	- -	59,069	12,787	19,538	414	- -	10,000	- -	101,808
22	- -	- -	61,757	16,250	578	2,600	- -	10,000	- -	91,185
29	- -	- -	43,627	4,218	2,344	100	- -	1,000	10,000	61,289
October 6	- -	- -	73,559	17,945	25,574	4,896	- -	- -	14,810	136,784
13	- -	- -	50,792	6,031	1,470	7,157	- -	5,000	- -	70,450
20	- -	- -	65,559	7,942	4,515	- -	- -	- -	- -	78,016
27	- -	- -	34,285	12,221	3,188	3,181	- -	2,000	- -	54,875
November 3	- -	- -	44,969	6,418	8,192	529	- -	- -	15,000	75,108
10	- -	- -	47,634	13,944	6,889	8,777	- -	- -	- -	77,244
17	- -	- -	39,692	10,656	4,974	3,354	- -	10,000	- -	68,676
24	16,572	16,778	36,552	- -	2,478	2,441	- -	4,000	- -	78,821
December 1	33,679	20,872	16,090	1,097	1,651	205	- -	- -	15,000	88,594
8	113,712	25,061	12,649	- -	2,197	739	- -	- -	- -	154,358
15	33,463	18,640	12,220	- -	81	- -	- -	- -	- -	64,404
22	64,797	13,043	2,511	- -	- -	- -	- -	15,000	- -	95,351
29	101,867	15,124	4,586	- -	- -	- -	- -	- -	10,000	131,577
£.	364,090	109,518	2,467,753	548,509	296,739	91,556	1,196	442,108	184,810	4,506,279

with the Weekly Amount of Money Discounted under each such Rate, &c.—*continued.*

Week ending	2½ per Cent.	2¾ per Cent.	3 per Cent.	3¼ per Cent.	3½ per Cent.	4 per Cent.	5 per Cent.	TOTAL.
1850:	£.	£.	£.	£.	£.	£.	£.	£.
January 5	72,902	17,598	9,619	- -	1,000	- -	10,000	111,119
12	52,403	17,954	9,871	- -	313	- -	- -	80,541
19	59,437	8,008	9,404	- -	3,883	342	- -	81,074
26	43,833	8,176	10,219	- -	- -	442	- -	62,670
February 2	72,592	21,083	7,047	- -	603	- -	15,000	116,325
9	78,887	17,546	4,921	- -	1,399	295	- -	103,048
16	56,480	13,815	12,623	- -	600	542	- -	84,060
23	78,011	20,741	13,689	- -	- -	427	- -	112,868
March - 2	78,515	70,766	8,332	- -	1,823	- -	- -	159,436
9	66,018	13,627	11,490	- -	1,008	- -	15,000	107,143
16	78,022	14,464	10,409	- -	404	- -	- -	103,299
23	47,813	11,608	17,942	- -	1,726	- -	- -	79,089
30	85,931	8,587	3,534	- -	6,301	270	- -	104,623
April - 6	53,983	16,416	12,876	- -	818	- -	20,000	104,093
13	74,773	16,561	4,619	- -	1,771	- -	- -	97,724
20	55,287	8,442	5,877	- -	- -	331	- -	69,937
27	61,538	7,349	10,929	- -	- -	392	- -	80,208
May - 4	94,153	15,357	8,591	- -	1,606	- -	- -	119,707
11	51,637	17,729	15,950	787	- -	- -	- -	86,103
18	45,883	15,037	8,498	- -	412	- -	- -	69,830
25	56,156	12,639	4,436	- -	251	1,000	- -	74,482
June - 1	46,068	4,159	10,411	- -	4,771	- -	- -	65,409
8	95,661	24,038	10,524	- -	1,144	- -	- -	131,367
15	71,035	16,724	8,603	- -	206	- -	- -	96,568
22	53,634	43,313	14,359	- -	- -	- -	- -	111,306
29	92,718	11,040	4,510	- -	1,476	- -	- -	109,744
July - 6	118,247	18,370	5,848	- -	- -	- -	- -	142,465
13	65,523	18,842	13,299	- -	267	- -	- -	97,931
20	70,870	10,348	3,295	- -	338	- -	- -	84,851
27	64,580	4,502	10,505	- -	955	- -	- -	80,542
August - 3	56,550	31,830	5,405	- -	239	- -	- -	94,024
10	92,037	9,336	8,459	- -	380	- -	- -	110,212
17	81,248	16,866	12,005	- -	- -	- -	- -	110,119
24	109,532	22,441	12,367	- -	175	- -	- -	144,515
31	124,522	11,238	18,750	- -	80	- -	- -	154,590
September 7	207,731	18,550	41,496	- -	1,708	- -	- -	269,485
14	115,026	21,684	5,735	- -	195	- -	- -	142,640
21	118,766	28,486	6,011	- -	- -	- -	- -	153,263
28	79,758	14,807	7,848	- -	989	1,000	- -	104,402
October 5	135,534	19,871	6,950	- -	- -	- -	- -	162,355
12	77,311	11,222	6,272	- -	- -	- -	- -	94,805
19	130,092	9,354	8,332	- -	922	- -	- -	148,700
26	68,840	5,877	7,245	- -	- -	- -	- -	81,962
November 2	60,195	20,624	8,755	- -	- -	- -	- -	89,574
9	165,750	29,396	2,642	- -	- -	610	- -	198,398
16	162,083	52,519	10,944	- -	- -	- -	- -	225,546
23	346,420	20,400	17,557	- -	- -	1,449	- -	385,826
30	382,134	15,725	10,839	- -	- -	175	- -	408,873
December 7	315,424	24,418	22,424	- -	- -	- -	- -	362,266
14	186,309	25,949	7,820	8,117	366	202	- -	228,763
21	342,478	29,724	9,793	- -	412	- -	- -	382,407
28	256,198	10,718	226,637	3,195	1,240	1,288	- -	499,276
£.	5,656,528	955,874	746,516	12,099	39,781	8,765	60,000	7,479,563

RETURN of the several Rates at which the Bank has Discounted Bills of Exchange, together

Week ending	3 per Cent.	3¼ per Cent.	3½ per Cent.	3¾ per Cent.	4 per Cent.	TOTAL.
1851:	£.	£.	£.	£.	£.	£.
January 4	383,123	49,916	10,806	-	4,686	448,531
11	174,119	32,398	10,342	-	2,039	218,899
18	184,147	39,703	5,678	-	585	230,113
25	61,944	21,622	1,553	-	13,450	98,569
February 1	104,032	6,792	10,715	-	3,547	125,086
8	171,472	28,163	15,404	-	-	215,039
15	203,406	40,805	9,707	-	2,336	256,254
22	445,941	14,019	25,861	-	1,523	487,344
March 1	441,583	8,179	7,374	-	4,435	461,571
8	218,041	41,384	9,339	-	12,049	280,813
15	192,940	25,946	1,484	5,740	1,629	227,739
22	168,316	10,330	36,725	-	1,073	216,444
29	226,343	27,376	4,539	-	234	258,492
April 5	263,999	18,705	4,604	-	555	287,863
12	149,768	14,574	16,966	-	1,744	183,052
19	126,565	14,829	1,974	-	300	143,668
26	94,773	31,463	3,412	-	-	129,648
May 3	223,044	24,463	8,926	-	2,066	258,499
10	241,949	39,731	32,967	-	19,666	334,313
17	534,251	28,000	20,161	-	15,838	598,250
24	433,905	14,201	8,664	-	734	457,504
31	422,055	16,529	3,708	-	10,382	452,674
June 7	325,653	18,566	7,710	-	8,743	360,672
14	285,298	27,950	11,761	-	1,826	326,835
21	192,676	13,573	11,872	-	7,182	225,303
28	175,907	9,215	31,897	-	5,506	222,525
July 5	172,826	14,913	7,937	-	1,086	196,762
12	187,765	26,445	8,229	-	239	222,678
19	278,037	15,191	1,807	-	261	295,296
26	168,830	11,076	3,427	-	2,440	185,773
August 2	288,002	13,998	11,378	-	1,916	310,294
9	567,085	19,065	16,134	-	349	602,633
16	721,656	83,057	30,691	-	20,957	856,361
23	432,693	53,551	38,526	1,680	1,824	528,274
30	313,950	25,355	14,211	-	8,658	362,174
September 6	392,425	20,543	10,519	-	455	423,942
13	339,385	46,812	12,162	-	2,570	400,929
20	368,995	28,838	18,286	-	358	416,477
27	384,575	25,333	9,574	-	250	419,732
October 4	372,574	19,252	15,086	-	2,807	409,719
11	195,164	31,909	18,213	-	1,187	246,473
18	210,211	13,133	1,889	-	1,100	226,333
25	113,975	8,836	5,786	-	-	128,597
November 1	77,259	8,688	5,538	-	-	91,485
8	166,605	20,450	4,009	-	1,013	192,077
15	142,578	36,898	3,648	-	3,357	186,481
22	105,642	6,967	4,146	-	1,923	118,678
29	113,149	16,104	5,729	-	-	134,982
December 6	248,991	20,669	1,319	-	-	270,979
13	203,520	33,321	12,879	-	700	250,420
20	128,967	10,438	9,715	-	-	149,120
27	134,350	13,775	3,710	-	-	151,835
£.	13,269,459	1,243,049	588,698	7,420	175,578	15,284,204

with the Weekly Amount of Money Discounted under each such Rate, &c.—*continued.*

Week ending	2 per Cent.	2¼ per Cent.	2½ per Cent.	2¾ per Cent.	3 per Cent.	3¼ per Cent.	3½ per Cent.	TOTAL.
1852:	£.	£.	£.	£.	£.	£.	£.	£.
January 3	- - -	- -	120,702	6,868	253,574	6,576	666	388,386
10	- - -	- -	184,299	11,957	15,377	- -	1,393	213,026
17	- - -	- -	130,308	32,560	6,993	- -	- -	169,861
24	- - -	- -	112,292	17,632	5,776	- -	- -	135,700
31	- - -	- -	68,077	5,764	2,557	- -	- -	76,398
February 7	- - -	- -	193,502	36,128	10,686	- -	- -	240,316
14	- - -	- -	109,475	18,777	5,285	- -	- -	133,537
21	- - -	- -	94,615	11,396	3,584	- -	- -	109,595
28	- - -	- -	111,569	6,386	7,300	- -	- -	125,255
March - 6	- - -	- -	140,044	14,982	4,954	- -	- -	159,980
13	- - -	- -	102,558	44,929	6,149	- -	- -	153,636
20	- - -	- -	71,402	15,196	6,723	- -	- -	93,321
27	- - -	- -	60,722	7,964	3,202	- -	- -	71,888
April - 3	- - -	- -	92,795	28,422	4,713	- -	- -	125,930
10	- - -	- -	73,113	9,913	8,137	- -	- -	91,163
17	- - -	- -	104,425	2,116	842	- -	- -	107,383
24	52,802	7,006	55,367	1,607	4,318	- -	- -	121,100
May - 1	98,173	17,676	8,554	- -	- -	- -	- -	124,403
8	82,252	13,025	14,803	- -	1,032	- -	- -	111,112
15	153,029	12,013	5,625	- -	2,894	- -	- -	173,561
22	85,926	6,409	4,764	- -	459	- -	- -	97,558
29	90,636	4,839	9,280	- -	825	- -	- -	105,580
June - 5	91,841	12,870	3,687	- -	980	- -	- -	109,378
12	97,624	14,208	4,055	- -	45	- -	- -	115,932
19	112,664	3,525	1,775	- -	863	- -	- -	118,827
26	85,045	16,644	7,659	- -	1,155	- -	- -	110,503
July - 3	115,460	12,702	3,229	- -	- -	- -	- -	131,391
10	104,316	17,899	2,785	- -	926	- -	- -	125,926
17	112,613	9,347	11,580	- -	85	- -	- -	133,625
24	218,193	21,146	9,019	- -	2,968	- -	- -	251,326
31	89,847	8,303	2,353	- -	- -	- -	- -	100,503
August - 7	84,838	10,978	3,562	- -	1,770	- -	- -	101,148
14	71,642	16,903	12,441	- -	464	- -	- -	101,450
21	111,659	11,177	12,749	- -	2,291	- -	- -	137,876
28	108,368	9,528	2,232	- -	189	- -	- -	120,317
September 4	81,392	6,829	4,156	- -	2,137	- -	- -	94,514
11	140,160	7,959	7,490	- -	- -	- -	- -	155,609
18	98,327	9,796	2,694	- -	1,023	- -	- -	111,840
25	162,465	6,642	3,088	- -	840	- -	- -	173,035
October - 2	127,695	46,818	3,379	- -	2,539	- -	- -	180,431
9	146,165	10,377	10,929	- -	508	- -	- -	167,979
16	106,343	9,312	3,290	- -	1,102	- -	- -	120,047
23	77,117	10,116	5,015	- -	1,611	- -	- -	93,859
30	87,124	4,636	5,697	- -	- -	- -	- -	97,457
November 6	158,302	19,967	2,842	- -	2,852	- -	- -	183,963
13	190,044	5,402	3,070	- -	- -	- -	- -	198,516
20	246,226	12,833	11,841	- -	395	- -	- -	271,295
27	227,515	4,816	4,764	- -	2,685	- -	- -	239,780
December 4	189,372	23,541	3,324	- -	61	- -	- -	216,298
11	146,332	26,193	5,158	- -	598	- -	- -	178,281
18	239,862	32,455	8,230	- -	2,085	- -	- -	282,632
25	197,548	6,880	4,979	- -	227	- -	- -	209,634
£.	4,588,917	470,770	2,035,363	272,597	385,779	6,576	2,059	7,762,061

RETURN of the several Rates at which the Bank has Discounted Bills of Exchange, together

Week ending	2 per Cent.	2½ per Cent.	2½ per Cent.	2¾ per Cent.	3 per Cent.	3¼ per Cent.	3½ per Cent.	3¾ per Cent.
1853:	£.	£.	£.	£.	£.	£.	£.	£.
January 1	766,137	8,946	8,574	-	1,431	-	-	-
8	77,343	2,249	47,244	920	4,261	-	1,158	-
15	-	-	950,359	12,293	1,567	-	2,362	-
22	-	-	537,049	7,061	78,892	6,055	2,810	-
29	-	-	-	-	120,561	7,431	8,187	-
February 5	-	-	-	-	320,988	16,462	9,940	-
12	-	-	-	-	289,335	31,828	6,373	-
19	-	-	-	-	932,111	34,296	6,143	-
26	-	-	-	-	764,055	10,914	6,877	-
March 5	-	-	-	-	794,281	26,177	11,340	-
12	-	-	-	-	478,825	7,958	8,139	-
19	-	-	-	-	413,656	10,068	1,436	-
26	-	-	-	-	353,828	11,109	7,444	-
April 2	-	-	-	-	562,060	5,371	7,343	-
9	-	-	-	-	434,767	31,657	5,131	-
16	-	-	-	-	165,561	1,354	1,117	-
23	-	-	-	-	153,502	19,807	2,615	-
30	-	-	-	-	128,127	9,038	2,294	-
May 7	-	-	-	-	536,187	5,825	5,299	-
14	-	-	-	-	379,978	25,704	4,718	-
21	-	-	-	-	470,382	10,058	6,007	-
28	-	-	-	-	365,467	16,148	1,106	-
June 4	-	-	-	-	680,770	7,019	117,490	3,365
11	-	-	-	-	-	-	159,573	14,523
18	-	-	-	-	-	-	152,898	16,855
25	-	-	-	-	-	-	151,488	5,637
July 2	-	-	-	-	-	-	375,252	5,340
9	-	-	-	-	-	-	214,445	17,470
16	-	-	-	-	-	-	301,623	4,320
23	-	-	-	-	-	-	112,457	14,718
30	-	-	-	-	-	-	292,437	9,986
August 6	-	-	-	-	-	-	839,737	15,510
13	-	-	-	-	-	-	461,007	12,679
20	-	-	-	-	-	-	463,526	8,386
27	-	-	-	-	-	-	218,860	5,234
September 3	-	-	-	-	-	-	130,872	6,813
10	-	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-	-
24	-	-	-	-	-	-	-	-
October 1	-	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-	-
22	-	-	-	-	-	-	-	-
29	-	-	-	-	-	-	-	-
November 5	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-
19	-	-	-	-	-	-	-	-
26	-	-	-	-	-	-	-	-
December 3	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-	-
24	-	-	-	-	-	-	-	-
31	-	-	-	-	-	-	-	-
£.	843,480	11,195	1,543,226	20,274	8,430,592	294,279	4,099,504	140,836

with the Weekly Amount of Money Discounted under each such Rate, &c.—*continued.*

4 per Cent.	4¼ per Cent.	4½ per Cent.	4¾ per Cent.	5 per Cent.	5¼ per Cent.	5½ per Cent.	6 per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- -	- -	- -	- -	- -	- -	- -	785,088
- -	- -	- -	- -	- -	- -	- -	- -	133,175
- -	- -	- -	- -	- -	- -	- -	- -	966,581
1,971	- -	- -	- -	- -	- -	- -	- -	633,838
141	- -	- -	- -	- -	- -	- -	- -	136,320
- -	- -	- -	- -	- -	- -	- -	- -	347,390
1,082	- -	- -	- -	- -	- -	- -	- -	328,618
2,040	- -	- -	- -	- -	- -	- -	- -	974,590
2,519	- -	- -	- -	- -	- -	- -	- -	784,365
- -	- -	- -	- -	- -	- -	- -	- -	831,798
3,689	- -	- -	- -	- -	- -	- -	- -	498,611
- -	- -	- -	- -	- -	- -	- -	- -	425,160
1,164	- -	- -	- -	- -	- -	- -	- -	373,545
742	- -	- -	- -	- -	- -	- -	- -	575,516
1,102	- -	- -	- -	- -	- -	- -	- -	472,657
- -	- -	- -	- -	- -	- -	- -	- -	168,032
- -	- -	- -	- -	- -	- -	- -	- -	175,924
- -	- -	- -	- -	- -	- -	- -	- -	139,459
- -	- -	- -	- -	- -	- -	- -	- -	547,311
- -	- -	- -	- -	- -	- -	- -	- -	410,400
- -	- -	- -	- -	- -	- -	- -	- -	486,447
- -	- -	- -	- -	- -	- -	- -	- -	382,721
2,538	- -	1,079	- -	- -	- -	- -	- -	812,261
3,982	1,498	- -	- -	- -	- -	- -	- -	179,576
5,708	2,315	- -	- -	- -	- -	- -	- -	177,776
12,506	- -	978	- -	- -	- -	- -	- -	170,609
6,703	2,163	- -	- -	- -	- -	- -	- -	389,458
24,017	- -	- -	- -	- -	- -	- -	- -	255,982
9,288	- -	1,197	- -	- -	- -	- -	- -	316,428
1,397	- -	- -	- -	- -	- -	- -	- -	128,572
2,176	- -	- -	- -	- -	- -	- -	- -	304,599
10,179	- -	- -	- -	- -	- -	- -	- -	865,426
8,620	- -	- -	- -	- -	- -	- -	- -	482,306
6,041	- -	994	- -	- -	- -	- -	- -	478,947
817	- -	- -	- -	- -	- -	- -	- -	224,911
315,892	5,299	3,647	- -	- -	- -	- -	- -	462,523
551,387	10,481	7,249	- -	882	- -	- -	- -	569,999
1,368,222	22,805	85,177	6,600	3,264	- -	- -	- -	1,486,068
- -	- -	469,437	51,209	4,646	- -	- -	- -	525,292
- -	- -	695,153	26,416	312,479	10,589	6,872	- -	1,051,509
- -	- -	- -	- -	355,498	35,494	4,709	- -	395,701
- -	- -	- -	- -	676,536	18,864	5,675	1,325	702,400
- -	- -	- -	- -	361,567	15,905	6,780	- -	384,252
- -	- -	- -	- -	238,852	57,134	10,754	- -	306,740
- -	- -	- -	- -	379,142	20,175	2,118	- -	401,435
- -	- -	- -	- -	309,812	26,114	3,867	3,504	343,297
- -	- -	- -	- -	247,798	31,101	11,126	1,253	291,278
- -	- -	- -	- -	602,621	13,610	17,003	- -	633,234
- -	- -	- -	- -	797,549	24,328	8,380	- -	830,257
- -	- -	- -	- -	448,145	14,597	8,764	- -	471,506
- -	- -	- -	- -	414,315	8,401	8,151	- -	430,867
- -	- -	- -	- -	564,642	6,135	8,589	- -	579,366
- -	- -	- -	- -	673,776	13,897	7,237	- -	694,910
2,343,923	44,561	1,264,911	84,225	6,391,524	296,344	110,025	6,082	25,924,981

RETURN of the several Rates at which the Bank has Discounted Bills of Exchange, together

Week ending	5 per Cent.	5¼ per Cent.	5½ per Cent.	5¾ per Cent.	6 per Cent.	6½ per Cent.	TOTAL.
1854:	£.	£.	£.	£.	£.	£.	£.
January 7	375,593	15,914	8,059	-	-	-	399,566
14	267,678	23,578	9,738	-	-	-	300,994
21	281,515	24,328	3,907	-	-	-	309,750
28	162,722	16,395	2,489	-	-	-	181,606
February 4	201,545	32,919	7,224	-	-	-	241,688
11	213,710	17,144	7,505	-	-	-	238,359
18	161,559	16,133	4,411	-	-	-	182,103
25	150,154	12,707	1,533	-	-	-	164,394
March 4	189,480	11,874	9,315	-	-	-	210,669
11	164,586	17,994	11,865	-	-	-	194,445
18	995,203	12,044	2,355	-	-	-	1,009,602
25	1,022,259	5,692	4,476	-	-	-	1,032,427
April 1	802,854	12,269	2,520	-	-	-	817,643
8	559,666	20,525	410	-	-	-	580,601
15	226,419	8,217	2,346	-	-	-	236,982
22	156,116	3,065	666	-	-	-	159,847
29	322,366	14,379	1,177	-	-	-	337,922
May 6	724,798	11,428	2,889	-	-	-	739,115
13	369,275	4,904	327,434	6,642	-	-	708,255
20	-	-	643,646	14,219	3,863	-	661,728
27	-	-	501,395	19,831	3,559	-	524,785
June 3	-	-	486,513	14,610	26,404	-	527,527
10	-	-	534,679	20,180	4,166	821	559,846
17	-	-	208,005	3,725	2,038	-	213,768
24	-	-	172,412	17,055	2,100	-	191,567

with the Weekly Amount of Money Discounted under each such Rate, &c.—*continued.*

Week ending	5 per Cent.	5¼ per Cent.	5½ per Cent.	5¾ per Cent.	6 per Cent.	6½ per Cent.	TOTAL.
1854—*continued.*	£.	£.	£.	£.	£.	£.	£.
July - 1 -	- - -	- - -	591,560	15,270	7,056	- -	613,886
8 -	- - -	- - -	200,158	24,406	4,866	- -	229,430
15 -	- - -	- - -	538,383	10,443	2,448	- -	551,274
22 -	- - -	- - -	259,112	13,923	2,146	- -	275,181
29 -	- - -	- - -	124,170	13,843	2,129	- -	140,142
August - 5 -	227,371	11,692	84,901	1,469	- - -	- -	325,433
12 -	833,524	8,174	24,889	- - -	- - -	- -	866,587
19 -	1,096,510	16,872	4,845	- - -	- - -	- -	1,118,227
26 -	169,053	12,498	6,148	- - -	- - -	- -	187,699
September 2 -	407,989	8,066	5,116	- - -	- - -	- -	421,171
9 -	275,532	11,472	8,296	- - -	- - -	- -	295,300
16 -	453,922	13,079	4,648	- - -	- - -	- -	471,649
23 -	327,976	15,010	93	- - -	- - -	- -	343,079
30 -	659,825	2,272	1,592	- - -	- - -	- -	663,689
October 7 -	436,012	3,846	8,892	- - -	- - -	- -	448,750
14 -	698,736	13,454	4,914	- - -	- - -	- -	717,104
21 -	483,409	14,125	2,197	- - -	- - -	- -	499,731
28 -	128,006	6,224	425	- - -	- - -	- -	134,655
November 4 -	192,283	13,073	4,142	- - -	- - -	- -	209,498
11 -	188,452	4,780	2,692	- - -	- - -	- -	195,924
18 -	286,998	6,343	4,527	- - -	- - -	- -	297,868
25 -	179,830	17,474	4,348	- - -	- - -	- -	201,652
December 2 -	169,675	21,286	5,599	- - -	- - -	- -	196,560
9 -	316,836	16,797	2,815	- - -	- - -	- -	336,448
16 -	221,354	15,777	5,655	- - -	- - -	- -	242,786
23 -	351,016	9,079	129	- - -	- - -	- -	360,224
30 -	609,135	7,156	1,335	- - -	- - -	- -	617,626
£.	16,060,942	531,058	4,857,550	175,616	60,775	821	21,686,762

RETURN of the several Rates at which the Bank has Discounted Bills of Exchange, together

Week ending	3½ per Cent.	3¾ per Cent.	4 per Cent.	4¼ per Cent.	4½ per Cent.	4¾ per Cent.	5 per Cent.	5¼ per Cent.
1855:	£.	£.	£.	£.	£.	£.	£.	£.
January 6	- - -	- -	- -	- -	- -	- -	259,879	17,785
13	- - -	- -	- -	- -	- -	- -	209,426	7,872
20	- - -	- -	- -	- -	- -	- -	690,298	25,812
27	- - -	- -	- -	- -	- -	- -	443,825	7,050
February 3	- - -	- -	- -	- -	- -	- -	634,619	6,697
10	- - -	- -	- -	- -	- -	- -	412,395	14,294
17	- - -	- -	- -	- -	- -	- -	373,085	16,455
24	- - -	- -	- -	- -	- -	- -	290,190	14,804
March - 3	- - -	- -	- -	- -	- -	- -	561,300	12,240
10	- - -	- -	- -	- -	- -	- -	181,457	15,023
17	- - -	- -	- -	- -	- -	- -	125,004	11,657
24	- - -	- -	- -	- -	- -	- -	110,252	6,984
31	- - -	- -	- -	- -	- -	- -	89,815	3,942
April - 7	- - -	- -	- -	- -	57,888	4,574	115,525	5,253
14	- - -	- -	- -	- -	139,033	10,032	985	- -
21	- - -	- -	- -	- -	119,658	9,970	328	- -
28	- - -	- -	- -	- -	93,077	6,900	214	- -
May - 5	- - -	- -	77,264	4,743	34,383	5,719	1,343	- -
12	- - -	- -	131,540	10,578	1,018	- -	- - -	- -
19	- - -	- -	65,645	8,868	2,313	- -	- - -	- -
26	- - -	- -	110,699	6,385	976	- -	- - -	- -
June - 2	- - -	- -	107,342	9,764	304	- -	- - -	- -
9	- - -	- -	72,591	5,987	674	- -	- - -	- -
16	79,516	2,888	62,990	6,330	- -	- -	- - -	- -
23	121,915	6,153	1,070	- -	- -	- -	- - -	- -
30	282,634	8,046	2,396	- -	- -	- -	- - -	- -
July - 7	193,890	18,030	3,590	- -	- -	- -	- - -	- -
14	183,233	6,627	1,119	- -	- -	- -	- - -	- -
21	138,968	19,824	- -	- -	- -	- -	- - -	- -
28	186,069	5,355	1,255	- -	- -	- -	- - -	- -
August - 4	663,790	7,807	1,850	- -	- -	- -	- - -	- -
11	861,187	10,767	6,742	- -	- -	- -	- - -	- -
18	997,865	10,652	- -	- -	- -	- -	- - -	- -
25	427,390	7,525	1,022	- -	- -	- -	- - -	- -
September 1	564,610	12,082	- -	- -	- -	- -	- - -	- -
8	948,718	4,787	133,971	10,467	- -	- -	- - -	- -
15	- - -	- -	299,745	3,589	162,150	- -	3,899	- -
22	- - -	- -	- -	- -	1,072,196	7,362	1,426	- -
29	- - -	- -	- -	- -	644,541	- -	152,699	3,684
October 6	- - -	- -	- -	- -	- -	- -	292,785	16,110
13	- - -	- -	- -	- -	- -	- -	- - -	- -
20	- - -	- -	- -	- -	- -	- -	- - -	- -
27	- - -	- -	- -	- -	- -	- -	- - -	- -
November 3	- - -	- -	- -	- -	- -	- -	- - -	- -
10	- - -	- -	- -	- -	- -	- -	- - -	- -
17	- - -	- -	- -	- -	- -	- -	- - -	- -
24	- - -	- -	- -	- -	- -	- -	- - -	- -
December 1	- - -	- -	- -	- -	- -	- -	- - -	- -
8	- - -	- -	- -	- -	- -	- -	- - -	- -
15	- - -	- -	- -	- -	- -	- -	- - -	- -
22	- - -	- -	- -	- -	- -	- -	- - -	- -
29	- - -	- -	- -	- -	- -	- -	- - -	- -
£.	5,649,785	120,543	1,080,831	66,711	2,328,211	44,557	4,950,749	185,662

with the Weekly Amount of Money Discounted under each such Rate, &c.—*continued.*

5½ per Cent.	5¾ per Cent.	6 per Cent.	6¼ per Cent.	6½ per Cent.	7 per Cent.	7¼ per Cent.	7½ per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.
8,280	-	-	-	-	-	-	-	285,944
3,048	-	-	-	-	-	-	-	220,346
823	-	-	-	-	-	-	-	716,933
45	-	-	-	-	-	-	-	450,920
3,443	-	-	-	-	-	-	-	644,759
3,772	-	-	-	-	-	-	-	430,461
-	-	-	-	-	-	-	-	389,540
686	-	-	-	-	-	-	-	305,680
1,370	-	-	-	-	-	-	-	574,910
3,117	-	-	-	-	-	-	-	199,597
65	-	-	-	-	-	-	-	136,726
3,685	-	-	-	-	-	-	-	120,921
-	-	-	-	-	-	-	-	93,757
237	-	-	-	-	-	-	-	183,477
-	-	-	-	-	-	-	-	150,050
-	-	-	-	-	-	-	-	129,956
-	-	-	-	-	-	-	-	100,191
-	-	-	-	-	-	-	-	123,452
-	-	-	-	-	-	-	-	143,136
-	-	-	-	-	-	-	-	76,826
-	-	-	-	-	-	-	-	118,060
-	-	-	-	-	-	-	-	117,410
-	-	-	-	-	-	-	-	79,252
-	-	-	-	-	-	-	-	151,724
-	-	-	-	-	-	-	-	129,138
-	-	-	-	-	-	-	-	293,076
-	-	-	-	-	-	-	-	215,510
-	-	-	-	-	-	-	-	190,979
-	-	-	-	-	-	-	-	158,792
-	-	-	-	-	-	-	-	192,679
-	-	-	-	-	-	-	-	673,447
-	-	-	-	-	-	-	-	878,696
-	-	-	-	-	-	-	-	1,008,517
-	-	-	-	-	-	-	-	435,937
-	-	-	-	-	-	-	-	576,692
-	-	-	-	-	-	-	-	1,097,943
-	-	-	-	-	-	-	-	469,383
-	-	-	-	-	-	-	-	1,080,984
-	-	-	-	-	-	-	-	800,924
91,240	3,730	-	-	-	-	-	-	403,865
876,299	12,232	4,895	-	-	-	-	-	893,426
417,954	7,124	143,671	-	-	37,445	-	-	606,194
-	-	212,727	2,520	3,714	65,032	7,743	1,000	292,736
-	-	260,548	646	-	60,776	2,756	5,080	329,806
-	-	239,520	1,826	-	54,685	4,926	-	300,957
-	-	638,123	2,288	2,199	79,173	6,230	-	728,013
-	-	844,158	2,512	-	86,519	6,078	-	939,267
-	-	662,698	490	1,812	32,911	2,905	-	700,816
-	-	305,807	3,764	-	98,255	9,025	-	416,851
-	-	582,388	1,357	-	70,080	6,297	3,802	663,924
-	-	1,146,232	2,321	987	48,058	2,282	3,090	1,202,970
-	-	455,502	2,501	3,190	45,883	3,388	576	511,040
1,414,064	23,086	5,496,269	20,225	11,902	678,817	51,630	13,548	22,136,590

RETURN of the several Rates at which the Bank has Discounted Bills of Exchange, together

Week ending	4½ per Cent.	4¾ per Cent.	5 per Cent.	5¼ per Cent.	5½ per Cent.	6 per Cent.
1856:	£.	£.	£.	£.	£.	£.
January 5	-	-	-	-	-	1,143,661
12	-	-	-	-	-	365,600
19	-	-	-	-	-	393,742
26	-	-	-	-	-	209,380
February 2	-	-	-	-	-	1,295,042
9	-	-	-	-	-	577,996
16	-	-	-	-	-	1,019,633
23	-	-	-	-	-	1,705,423
March 1	-	-	-	-	-	677,277
8	-	-	-	-	-	518,866
15	-	-	-	-	-	773,010
22	-	-	-	-	-	344,014
29	-	-	-	-	-	667,525
April 5	-	-	-	-	-	268,871
12	-	-	-	-	-	292,578
19	-	-	-	-	-	160,116
26	-	-	-	-	-	231,852
May 3	-	-	-	-	-	352,643
10	-	-	-	-	-	562,264
17	-	-	-	-	-	865,727
24	-	-	-	-	-	292,795
31	-	-	63,320	-	-	53,797
June 7	-	-	224,777	9,923	2,083	-
14	-	-	236,291	10,134	1,239	-
21	-	-	148,243	2,753	299	-
28	65,204	2,015	24,418	-	-	-
July 5	783,974	-	-	-	-	-
12	105,400	2,091	-	-	-	-
19	91,645	-	-	-	-	-
26	38,614	-	-	-	-	-
August 2	718,251	-	-	-	-	-
9	602,348	1,443	-	-	-	-
16	380,882	484	338	-	-	-
23	179,396	129	-	-	-	-
30	381,009	-	2,000	-	-	-
September 6	500,830	2,451	625	-	-	-
13	705,350	-	-	-	2,000	-
20	951,190	644	1,529	-	-	-
27	796,084	-	-	-	-	-
October 4	1,567,865	-	542,310	439	1,268	-
11	-	-	-	-	-	574,008
18	-	-	-	-	-	614,493
25	-	-	-	-	-	682,191
November 1	-	-	-	-	1,225	1,164,182
8	-	-	-	-	-	328,163
15	-	-	-	-	-	550,066
22	-	-	-	-	-	-
29	-	-	-	-	-	-
December 6	-	-	-	-	-	-
13	-	-	-	-	-	-
20	-	-	-	-	-	370,175
27	-	-	-	-	-	595,033
£.	7,868,042	9,257	1,243,851	23,249	8,114	17,650,123

Bank of England, 8 March 1857.

with the Weekly Amount of Money Discounted under each such Rate, &c.—*continued.*

6¼ per Cent.	6½ per Cent.	6¾ per Cent.	7 per Cent.	7¼ per Cent.	7½ per Cent.	8 per Cent.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.
4,318	- - -	- - -	71,904	1,807	2,000	- -	1,223,690
7,445	1,904	- - -	84,005	5,446	4,086	5,000	473,486
1,123	- - -	- - -	57,952	5,356	- - -	- -	458,178
866	- - -	- - -	39,216	1,863	2,485	- -	253,810
50	1,665	- - -	64,750	1,748	1,902	- -	1,365,157
1,620	1,625	- - -	63,612	3,545	- - -	- -	648,398
1,984	2,000	- - -	68,412	1,754	458	- -	1,094,241
- - -	- - -	- - -	50,585	7,369	- - -	- -	1,763,377
248	4,314	- - -	49,436	2,107	- - -	- -	733,382
649	1,418	- - -	68,046	2,522	1,296	- -	592,797
379	8,486	- - -	48,575	5,253	- - -	- -	835,703
- - -	- - -	- - -	40,873	- - -	3,000	- -	387,887
7,891	352	- - -	37,520	526	806	- -	714,620
193	2,000	- - -	51,347	1,992	444	2,500	327,347
2,660	- - -	- - -	61,826	1,439	- - -	- -	358,503
- - -	- - -	- - -	53,155	3,150	953	- -	217,374
8,741	- - -	- - -	36,103	973	- - -	- -	277,669
- - -	- - -	- - -	54,062	- - -	- - -	- -	406,795
1,404	- - -	- - -	53,213	6,325	- - -	- -	623,206
288	- - -	- - -	43,395	1,077	- - -	- -	910,487
- - -	- - -	- - -	10,584	- - -	- - -	- -	303,379
1,531	- - -	- - -	- - -	- - -	- - -	- -	118,648
- - -	- - -	- - -	- - -	- - -	- - -	- -	236,783
- - -	- - -	- - -	- - -	- - -	- - -	- -	247,664
- - -	- - -	- - -	- - -	- - -	- - -	- -	151,295
- - -	- - -	- - -	- - -	- - -	- - -	- -	91,637
- - -	- - -	- - -	- - -	- - -	- - -	- -	783,974
- - -	- - -	- - -	- - -	- - -	- - -	- -	107,491
- - -	- - -	- - -	- - -	- - -	- - -	- -	91,645
- - -	- - -	- - -	- - -	- - -	- - -	- -	38,614
- - -	- - -	- - -	- - -	- - -	- - -	- -	718,251
- - -	- - -	- - -	- - -	- - -	- - -	- -	603,791
- - -	- - -	- - -	- - -	- - -	- - -	- -	381,704
- - -	- - -	- - -	- - -	- - -	- - -	- -	179,525
- - -	- - -	- - -	- - -	- - -	- - -	- -	383,009
- - -	- - -	- - -	- - -	- - -	- - -	- -	503,906
- - -	- - -	- - -	- - -	- - -	- - -	- -	707,350
- - -	- - -	- - -	- - -	- - -	- - -	- -	953,363
- - -	- - -	- - -	- - -	- - -	- - -	- -	796,084
- - -	- - -	- - -	- - -	- - -	- - -	- -	2,111,882
- - -	- - -	- - -	48,975	- - -	- - -	1,069	624,052
- - -	- - -	- - -	53,368	- - -	761	- -	668,622
- - -	- - -	- - -	42,583	- - -	- - -	- -	724,774
- - -	- - -	- - -	57,548	- - -	- - -	- -	1,222,955
- - -	- - -	- - -	74,424	1,218	- - -	- -	403,805
- - -	- - -	- - -	401,994	- - -	5,518	- -	957,578
- - -	- - -	- - -	301,600	364	- - -	1,100	303,064
- - -	- - -	- - -	134,292	- - -	- - -	- -	134,292
- - -	314,672	- - -	238,412	- - -	- - -	- -	553,084
- - -	419,795	1,432	4,113	- - -	- - -	- -	425,340
- - -	763,238	- - -	787	- - -	- - -	- -	1,134,200
- - -	1,893	- - -	- - -	- - -	- - -	- -	596,926
41,390	1,523,362	1,432	2,466,667	55,834	23,709	9,669	30,924,699

A. Marshall, Chief Cashier.

Appendix, No. 8.

Appendix, No. 8. Appendix, No. 21, to Report from Select Committee on Commercial Distress, 1848.

MONTHLY STATEMENT of BULLION Bought and Sold by the BANK of ENGLAND, distinguishing GOLD from SILVER BULLION, from 1 January 1832 to 31 December 1847.

	GOLD BOUGHT.	SILVER BOUGHT.	GOLD SOLD.	SILVER SOLD.
	£.	£.	£.	£.
1832: January	92,995	19,403	59,285	—
February	7,279	26,738	62,395	—
March	171,475	86,538	790	—
April	201,065	266,974	—	—
May	56,808	391,767	-	49,989
June	439,210	484,297	-	51,338
July	757,744	298,529	-	12,334
August	302,996	107,599	-	256
September	381,016	124,479	—	—
October	393,688	88,614	—	—
November	389,831	105,236	727	—
December	210,741	119,561	—	—
1833: January	243,857	9,893	85,727	349,251
February	29,167	76,921	162,648	119,270
March	74,185	49,086	6,333	46,576
April	93,158	286,205	-	70,550
May	245,505	513,206	-	23,836
June	176,552	354,408	277,437	—
July	80,045	26,757	170,164	64,719
August	56,921	17,375	26,808	23,553
September	-	-	143,648	167,517
October	117,340	-	35,747	754,455
November	218,055	73,686	14,287	114,225
December	30,221	27,439	-	50,650
1834: January	19,370	31,010	13,951	55,755
February	31,265	117,362	178,681	805,772
March	7,926	-	2,376	433,149
April	22,076	-	2,184	—
May	119,879	-	692	—
June	60,712	-	173,056	—
July	16,431	-	-	358,761
August	204,632	-	-	241
September	273,471	-	1,520	—
October	203,425	69,178	-	23,028
November	33,179	15,002	758	—
December	83,735	-	-	2,170
1835: January	556	-	1,580	—
February	9,553	17,400	54,211	17,400
March	56,616	—	—	—
April	149,153	—	—	—
May	27,598	-	1,565	—
June	154,628	45,306	—	—
July	60,440	—	—	—
August	208,449	22,257	-	50,637
September	136,444	34,646	—	—
October	85,475	55,006	—	—
November	446,285	117,710	—	—
December	113,778	80,141	—	—

MONTHLY STATEMENT of Bullion Bought and Sold by the Bank of England, &c.—*continued.* Appendix, No. 8.

	GOLD BOUGHT.	SILVER BOUGHT.	GOLD SOLD.	SILVER SOLD.
	£.	£.	£.	£.
1836: January	82,667	105,600	—	—
February	113,268	-	1,255	—
March	57,463	-	1,621	—
April	512	15,611	48,295	—
May	-	-	8,451	—
June	54,555	-	2,071	—
July	20,045	-	-	21,116
August	6,468	21,115	96,164	118,362
September	11,785	-	28,641	68,428
October	6,428	-	14,708	39,434
November	-	-	4,032	177,885
December	71,890	46,040	-	45,735
1837: January	28,475	-	2,850	—
February	49,988	25,220	-	30,698
March	16,825	64,581	—	—
April	116,969	1,379	—	—
May	283,586	—	—	—
June	217,898	-	1,185	—
July	898,333	52,365	11,953	—
August	424,583	64,698	-	58,345
September	351,510	143,199	—	—
October	485,534	118,502	-	6,316
November	402,418	174,636	—	—
December	340,614	119,395	—	—
1838: January	210,995	129,474	—	—
February	214,340	81,771	—	—
March	296,635	109,585	—	—
April	357,110	174,109	—	—
May	178,746	95,674	4,516	8,282
June	204,140	74,630	-	4,892
July	200,886	109,082	-	35,358
August	44,458	30,002	13,716	37,713
September	68,867	794	—	—
October	107,060	10,091	-	16,128
November	8,8145	6,364	1,483	—
December	-	-	42,342	351,588
1839: January	-	-	486,300	129,389
February	-	-	240,569	71,829
March	-	-	619,977	300,154
April	-	-	98,971	666,182
May	-	-	194,624	7,646
June	-	24,271	3,745	—
July	-	-	750	5,390
August	36,009	-	-	24,480
September	31,789	-	-	6,426
October	31,029	49,831	-	55,203
November	37,115	—	—	—
December	100,302	254,583	—	—
1840: January	85,518	349,806	228,974	460,811
February	45,938	-	-	45,411
March	2,923	-	43,590	2,186
April	39,425	-	-	20,472
May	-	-	4,006	22,164
June	4,333	22,181	-	22,181
July	100	11,090	810	11,090
August	18,515	33,180	-	64,381
September	150	—	—	—
October	37	-	54,156	—
November	13,590	—	—	—
December	52,988	—	—	—

Appendix, No. 8.

MONTHLY STATEMENT of Bullion Bought and Sold by the Bank of England, distinguishing

	GOLD BOUGHT.	SILVER BOUGHT.	GOLD SOLD.	SILVER SOLD.
	£.	£.	£.	£.
1841: January	35,927	—	—	—
February	110,103	—	—	—
March	147,303	—	—	—
April	190,539	—	—	—
May	61,999	-	280	—
June	90,415	—	—	—
July	78,981	-	805	—
August	65,839	-	713	—
September	30,151	—	—	—
October	196,885	—	—	—
November	88,953	—	—	—
December	180,403	—	—	—
1842: January	84,444	—	—	—
February	117,852	—	—	—
March	606,642	—	—	—
April	351,650	128,339	-	30,523
May	185,529	21,609	-	109,976
June	153,054	-	-	10,177
July	127,725	-	1,663	—
August	128,476	—	—	—
September	182,391	-	857	—
October	217,306	90,574	817	—
November	239,498	—	—	—
December	437,432	2,396	—	—
1843: January	520,902	38,580	584	—
February	471,341	4,702	2,592	10,488
March	647,612	20,718	—	—
April	409,151	28,401	-	62,427
May	364,059	89,212	-	24,860
June	491,944	1,295,332	-	22,133
July	356,429	106,297	790	—
August	443,513	60,720	—	—
September	246,533	60,612	—	—
October	236,608	68,564	-	17,102
November	53,407	107,661	-	8,423
December	275,390	95,293	-	79,418
1844: January	524,621	33,191	-	95,141
February	357,226	-	808	50,190
March	475,311	71,779	-	26,004
April	588,444	-	-	4,099
May	39,910	-	816	51,627
June	342,699	-	762	3,391
July	236,053	-	816	13,322
August	1,000,140	-	761	50,149
September	110,463	445	1,648	—
October	120,165	-	763	46,198
November	102,465	-	1,636	54,277
December	181,117	-	1,635	—
1845: January	293,432	82,364	3,291	—
February	408,986	326,754	1,423	730
March	390,906	87,543	2,965	9,583
April	552,680	18,382	766	29,900
May	519,606	34,707	763	—
June	458,918	32,203	1,551	—
July	315,616	-	1,531	150,235
August	202,158	-	813	—
September	149,964	9,372	-	158,433
October	93,377	-	1,504	235,509
November	115,945	100,100	819	131,706
December	252,748	34,207	-	25,980

Appendix, No. 8.

Gold from Silver Bullion, from 1 January 1832 to 31 December 1847—*continued.*

	GOLD BOUGHT.	SILVER BOUGHT.	GOLD SOLD.	SILVER SOLD.
	£.	£.	£.	£.
1846: January	138,173	29,332	820	52,994
February	179,477	102,775	1,795	—
March	292,471	48,021	1,603	2,175
April	397,983	85,018	1,658	—
May	546,586	138,043	1,603	—
June	637,069	503,278	3,569	—
July	516,105	23,909	3,807	20,793
August	789,486	198,470	2,458	—
September	438,292	90,481	2,587	—
October	203,249	11,992	819	222,182
November	29,962	- - -	20,229	10,353
December	128,973	- - -	111,044	36,968
1847: January	48,419	- - -	746,624	800,435
February	293,014	- - -	673,448	138,136
March	21,642	- - -	387,406	54,040
April	85,575	- - -	42,668	71,534
May	651,975	58,678	8,408	—
June	198,817	- - -	9,082	55,117
July	130,463	- - -	23,477	314,939
August	156,564	- - -	4,336	48,446
September	158,399	56,336	2,304	15,505
October	885,439	115,875	2,537	—
November	1,690,139	88,775	1,128	—
December	475,534	136,659	—	—

Bank of England,
15 January 1848.

M. Marshall,
Chief Cashier.

Appendix, No. 8.

MONTHLY STATEMENT of BULLION Bought and Sold by the BANK of ENGLAND, distinguishing GOLD from SILVER BULLION, from 1 January 1848 to 31 December 1856 (in continuation of Appendix, No. 21, to the Report from the Select Committee on Commercial Distress, 1848.)

DATE.	GOLD BOUGHT.	SILVER BOUGHT.	GOLD SOLD.	SILVER SOLD.
	£.	£.	£.	£.
1848: January	538,805	97,284	2,392	—
February	703,388	—	22,328	—
March	154,422	400,762	303,588	—
April	340,832	106,260	549,978	253,644
May	964,167	—	302,325	341,449
June	485,653	—	90,704	—
July	305,452	—	194,427	291,676
August	531,522	—	209,288	475,782
September	1,218,044	—	57,771	184,462
October	120,221	—	26,401	—
November	171,980	—	14,217	—
December	263,552	—	6,170	—
1849: January	366,586	—	4,104	6,000
February	209,645	—	15,524	155,123
March	254,506	—	5,052	25,500
April	57,176	—	4,029	—
May	280,466	—	23,991	—
June	321,585	—	3,639	—
July	366,790	—	3,203	—
August	444,124	—	11,390	—
September	207,880	—	3,427	—
October	571,361	—	3,821	—
November	351,439	—	12,835	—
December	215,100	—	25,756	—
1850: January	290,312	—	25,598	—
February	164,933	—	12,286	—
March	205,490	—	80,188	—
April	159,124	—	16,192	—
May	246,262	—	81,615	—
June	189,327	—	7,176	5,826
July	662,047	—	9,576	—
August	275,200	—	23,986	—
September	283,666	—	9,847	—
October	236,601	—	49,186	178,000
November	225,261	—	190,757	—
December	—	—	229,546	—
1851: January	74,581	—	68,307	—
February	129,335	—	127,369	—
March	193,893	—	800	—
April	185,973	—	1,500	—
May	365,284	—	13,004	—
June	648,917	—	6,031	—
July	198,536	—	25,328	—
August	778,929	—	4,531	—
September	772,170	—	10,419	—
October	1,315,629	—	8,143	—
November	1,105,974	—	16,524	—
December	1,330,363	—	25,367	—
1852: January	1,258,967	—	9,682	—
February	1,029,776	—	5,148	—
March	1,061,244	—	2,510	—
April	1,003,296	—	7,394	—
May	1,642,500	—	5,393	—
June	1,577,922	—	4,536	—
July	1,994,015	—	12,049	—
August	522,600	—	13,946	14,510
September	1,012,701	2,500	18,599	2,442
October	1,349,351	—	143,029	—
November	1,194,782	—	177,159	—
December	1,703,617	—	978,260	—

Appendix, No. 8.

DATE.	GOLD BOUGHT.	SILVER BOUGHT.	GOLD SOLD.	SILVER SOLD.
	£.	£	£.	£.
1853: January	935,033	—	944,432	—
February	354,510	—	105,893	—
March	1,583,449	—	45,890	—
April	1,147,532	—	64,120	—
May	320,953	—	38,139	—
June	997,068	—	35,253	—
July	181,969	—	108,390	—
August	142,044	—	443,475	20,083
September	525,383	—	606,635	—
October	1,253,977	—	94,319	—
November	740,651	—	1,037,228	—
December	524,127	—	37,181	—
1854: January	530,687	—	53,203	—
February	276,993	—	151,677	—
March	19,411	—	1,418,898	—
April	121,841	—	716,700	—
May	143,058	—	337,554	—
June	1,188,343	—	35,931	—
July	206,388	—	182,966	—
August	803,972	—	26,466	—
September	721,116	—	47,460	—
October	1,873,078	—	2,282	—
November	273,301	—	98,068	—
December	456,138	—	214,849	—
1855: January	81,855	—	1,050,176	—
February	414,069	—	153,402	—
March	2,142,141	—	—	—
April	1,042,741	—	2,470	—
May	1,865,404	—	4,873	—
June	1,084,584	—	51,448	—
July	323,880	—	419,705	—
August	456,034	—	698,653	—
September	16,862	—	778,533	—
October	444,047	—	72,637	—
November	166,155	—	24,112	—
December	272,586	—	135,972	—
1856: January	294,116	—	105,603	—
February	137,192	—	19,193	—
March	635,480	—	—	—
April	978,805	—	33,294	—
May	1,927,448	—	168,595	—
June	1,862,022	—	35,890	—
July	65,218	—	366,384	—
August	73,568	—	79,090	—
September	262,245	—	182,422	—
October	86,310	—	647,139	—
November	564,257	—	115,591	—
December	184,170	—	214,429	—

Bank of England,
25 February 1857.

M. Marshall,
Chief Cashier.

Appendix, No. 9.

Appendix, No. 9.

A RETURN of any BANKS, being BANKS OF ISSUE previously to the passing of the Act 7 & 8 Vict. c. 32, which have ceased to Issue their own Notes, and of the AMOUNT of CIRCULATION of such Banks respectively; showing the Amount on which the Governor and Company of the Bank of England founded a Memorial, dated 26 November 1855, and on which Permission was granted to them to add to their Issue of Notes, under the Fifth Section of the Act 7 & 8 Vict. c. 32.

NAME OF BANK.		Amount of Circulation.	
		£.	£.
Abingdon Bank	Knapp & Co.	29,316	
Bedford and Bedfordshire Bank	Trapp, Halfhead & Co.	8,515	
Bridport Bank	S. & W. E. Gundry	24,698	
Bishops Waltham and Hampshire Bank	Gunner & Sons	1,993	
Bromsgrove Bank, and Stourbridge and Bromsgrove Bank	Rufford, Biggs & Co.	16,799	
Bristol Old Bank	Baillie, Ames & Co.	89,540	
Christchurch Bank	Tice, Welsh & Co.	2,840	
Cambridge Bank	Fisher & Sons	8,753	
Cambridge Bank	Humfrey & Son	2,615	
Dover Union Bank	Latham & Co.	9,577	
Grantham Bank	Kewney & King	19,401	
Honiton Bank	Flood & Co.	19,015	
Leek and Staffordshire Bank, and Leek and Congleton Bank	Fowler, Gaunt & Co.	4,009	
Marlborough Bank, Marlborough and Wilts Old Bank, Marlborough Old Bank, Marlborough Old Bank and Hungerford Bank, and Hungerford Bank	Tanner & Co.	19,073	
Marlborough and North Wiltshire Bank	Ward, Merriman & Co.	12,490	
Margate Bank	Cobb & Co.	9,996	
Monmouthshire, Newport Old Bank	W. Williams & Son	8,600	
Oxford Bank	J. & R. Morrell	14,277	
Oxford University and City Bank	Sir J. Lock & Co.	15,705	
Peterborough Bank	Simpson, White & Co.	12,832	
Penzance Union Bank, Falmouth Bank, and Truro Bank	Ricketts, Enthoven & Co.	31,461	
Romsey and Hampshire Bank	Footner & Son	3,875	
Reigate and Dorking Bank, and Reigate, Croydon and Dorking Bank	Nash & Co.	13,700	
Shrewsbury and Market Drayton Bank	Adams & Co.	9,700	
St. Albans Bank	J. S. Story	3,743	
Salisbury Bank	W. B. & C. G. Brodie	23,335	
Shaftesbury Bank	Brodie & King	9,813	
Stourbridge Bank	Rufford, Wragge & Co.	17,295	
Stourbridge Old Bank	Bate & Robins	17,560	
St. Albans and Herts Bank	Gibson & Sturt	2,333	
Staines Bank	Ashby & Co.	9,244	
Whitby Bank	Frankland & Co.	2,076	
Walsall Old Bank	C. Forster & Sons	19,937	
Warminster and Wiltshire Bank	Everett & Co.	24,896	
Wrexham Bank	J. & S. Kenrick	3,289	
Wrexham and North Wales Bank	R. M. Lloyd	4,464	
Yeovil Old Bank	E. & J. Batten	10,033	
Leeds and West Riding Banking Company		18,937	
Leeds Commercial Banking Company		13,914	
Newcastle, Shields and Sunderland Union Joint Stock Banking Company		84,130	

NAME OF BANK.	Amount of Circulation.	
	£.	£.
Stockton and Durham County Banking Company	8,290	
Sheffield and Retford Bank	18,744	
Suffolk Banking Company	7,449	
Western District Banking Company	909	
Winchester Bank - Wickham & Co.	6,737	
Shaftesbury Banking Company - Storey & Thomas	9,714	
Cardiff Bank - Toogood & Co.	7,001	
Amount of Additional Issue granted to the Bank of England, 475,000 *l.*, being two-thirds of	-	712,625
Stone Bank - W. Moore	9,154	
Lichfield Bank - Palmer & Greene	22,786	
Cheltenham and Gloucestershire Banking Company	12,786	
Knighron Bank - J. Davies & Co.	9,090	
Hertford and Ware Bank - Samuel Adams & Co.	23,635	
Hemel Hempstead Bank - Smith & Whittingstall	23,842	
Worcestershire Bank - Farley, Turner & Co.	14,309	
		115,602
	£.	828,227

Bank of England,
25 February 1857.

M. Marshall,
Chief Cashier.

Appendix, No. 10.

A RETURN of the LOWEST AMOUNT of BULLION in the Bank of *England*, in the Years 1825, 1837, 1839, 1847, and 1856.

DATE.			Lowest Amount of Bullion in the Bank of England.
			£.
31 December 1825	-	-	1,261,000
7 February 1837	-	-	3,831,000
3 September 1839	-	-	2,406,000
23 October 1847	Issue Department	£. 7,865,000	
	Banking Department	448,000	8,313,000
8 November 1856	Issue Department	8,915,000	
	Banking Department	615,000	9,530,000

Bank of England,
25 February 1857.

M. Marshall,
Chief Cashier.

Appendix No. 11.

Appendix, No. 4, to the Report from the Select Committee on Commercial Distress, 1848.

AN ACCOUNT of the Amount of the Notes of the Bank of England in Circulation, distinguishing those under £.5; of the Amount of all Deposits, and of the Amount of all Securities, and of the Amount of all Bullion, held by the Bank of England on the 28th day of February and the 31st day of August in each Year, from the Year 1778 to the 31st day of August 1847 inclusive.

	CIRCULATION; viz.		LIABILITIES.			Total of the Liabilities and of the Means.	MEANS.		SECURITIES; viz.	
	Bank Notes of £.5 and upwards, and Post Bills.	Bank Notes under £.5.	Circulation.	Deposits.	Rest.		Bullion.	Securities.	Public.	Private.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
28 February 1778	- -	- -	7,440,330	4,662,150	1,128,730	13,231,210	2,010,690	11,220,520	7,898,292	3,322,228
31 August 1778	- -	- -	6,758,070	4,715,580	1,282,740	12,756,390	3,128,420	9,627,970	6,540,433	3,087,537
28 February 1779	- -	- -	9,012,610	4,358,160	1,276,290	14,647,060	3,711,150	10,935,910	8,862,242	2,073,668
31 August 1779	- -	- -	7,276,540	5,201,040	1,355,560	13,833,140	3,983,300	9,849,840	7,493,649	2,356,191
29 February 1780	- -	- -	8,410,790	4,723,890	1,347,410	14,482,090	3,581,060	10,901,030	9,145,659	1,755,371
31 August 1780	- -	- -	6,341,600	6,655,800	1,527,510	14,524,910	4,179,370	10,345,540	6,740,514	3,605,026
28 February 1781	- -	- -	7,092,450	5,796,830	1,576,800	14,466,080	3,279,940	11,186,140	8,640,073	2,546,067
31 August 1781	- -	- -	6,309,430	5,921,630	1,742,040	13,973,100	2,862,590	11,110,510	6,609,457	4,501,053
28 February 1782	- -	- -	8,028,880	6,130,300	1,792,750	15,951,930	2,157,860	13,794,070	10,346,055	3,448,015
31 August 1782	- -	- -	6,759,310	6,759,450	1,921,580	15,440,340	1,956,550	13,483,790	8,987,573	4,496,217
28 February 1783	- -	- -	7,675,090	4,465,000	1,976,880	14,116,970	1,321,190	12,795,780	10,016,349	2,779,431
30 August 1783	- -	- -	6,307,270	6,105,650	2,018,960	14,431,880	590,080	13,841,800	9,566,037	4,275,763
28 February 1784	- -	- -	6,202,760	3,903,920	2,168,380	12,275,060	655,840	11,619,220	7,789,291	3,829,929
31 August 1784	- -	- -	5,592,510	6,267,130	2,204,570	14,064,210	1,539,830	12,524,380	8,435,777	4,088,603
28 February 1785	- -	- -	5,923,090	6,669,160	2,321,060	14,913,310	2,740,820	12,172,490	7,198,564	4,973,926
31 August 1785	- -	- -	6,570,650	6,252,030	2,608,930	15,431,610	5,487,040	9,944,570	6,725,891	3,218,679
28 February 1786	- -	- -	7,581,960	6,151,660	2,598,710	16,332,330	5,979,090	10,353,240	6,836,459	3,516,781
31 August 1786	- -	- -	8,184,330	5,867,240	2,638,260	16,689,830	6,311,050	10,378,780	7,988,241	2,390,539
28 February 1787	- -	- -	8,329,840	5,902,080	2,753,820	16,985,740	5,626,690	11,359,050	7,642,587	3,716,463
31 August 1787	- -	- -	9,685,720	5,631,540	2,829,400	18,146,660	6,293,000	11,853,660	8,066,303	3,787,357
29 February 1788	- -	- -	9,561,120	5,177,050	2,869,780	17,607,950	5,743,440	11,864,510	7,833,857	4,030,653
30 August 1788	- -	- -	10,002,880	5,528,640	2,937,960	18,469,480	6,899,160	11,570,320	8,840,068	2,730,252
28 February 1789	- -	- -	9,807,210	5,537,370	2,844,840	18,189,420	7,228,730	10,960,690	8,249,582	2,711,108
31 August 1789	- -	- -	11,121,800	6,402,450	2,819,370	20,343,620	8,645,860	11,697,760	9,661,859	2,035,901
28 February 1790	- -	- -	10,040,540	6,223,270	2,701,310	18,965,120	8,633,000	10,332,120	8,347,387	1,984,733
31 August 1790	- -	- -	11,433,340	6,199,200	2,757,310	20,389,850	8,386,330	12,003,520	10,047,257	1,956,263
28 February 1791	- -	- -	11,439,200	6,364,550	2,668,300	20,472,050	7,869,410	12,602,640	10,380,358	2,222,282
31 August 1791	- -	- -	11,672,320	6,437,730	2,765,400	20,875,450	8,055,510	12,819,940	10,921,300	1,898,640
29 February 1792	- -	- -	11,307,380	5,523,370	2,705,870	19,536,620	6,468,060	13,068,560	9,938,799	3,129,761
31 August 1792	- -	- -	11,006,300	5,526,480	2,730,510	19,263,290	5,357,380	13,905,910	10,715,041	3,190,869
28 February 1793	- -	- -	11,888,910	5,346,450	2,780,570	20,015,930	4,010,680	16,005,250	9,549,209	6,456,041
31 August 1793	- -	- -	10,865,050	6,442,810	2,823,830	20,131,690	5,322,010	14,809,680	10,381,838	4,427,842
28 February 1794	- -	- -	10,744,020	7,891,810	2,875,830	21,511,660	6,987,110	14,524,550	9,950,756	4,573,794
30 August 1794	- -	- -	10,286,780	5,935,710	2,994,080	19,216,570	6,770,110	12,446,460	8,863,048	3,583,412
28 February 1795	- -	- -	14,017,510	5,973,020	2,948,530	22,939,060	6,127,720	16,811,340	13,164,172	3,647,168
31 August 1795	- -	- -	10,862,200	8,154,980	3,109,090	22,126,270	5,136,350	16,989,920	13,250,904	3,739,016
29 February 1796	- -	- -	10,729,520	5,702,360	3,247,590	19,679,470	2,539,630	17,139,840	12,951,812	4,188,028
31 August 1796	- -	- -	9,246,790	6,656,320	3,245,310	19,148,420	2,122,950	17,025,470	10,875,347	6,150,123
28 February 1797	- -	- -	9,674,780	4,891,530	3,357,610	17,923,920	1,086,170	16,837,750	11,714,431	5,123,319
31 August 1797	10,246,535	867,585	11,114,120	7,765,350	3,471,320	22,350,790	4,089,620	18,261,170	8,765,224	9,495,946
28 February 1798	11,617,610	1,448,220	13,095,830	6,148,900	3,383,710	22,628,440	5,828,940	16,799,500	11,241,333	5,558,167
31 August 1798	10,649,550	1,531,060	12,180,610	8,300,720	3,114,410	23,895,740	6,546,100	17,349,640	10,930,038	6,419,602

ACCOUNT of the Amount of the Notes of the Bank of England in Circulation, &c. from the Year 1778 to 1847—*continued.*

—	CIRCULATION; viz.		LIABILITIES.			Total of the Liabilities and of the Means.	MEANS.		SECURITIES; viz.	
	Bank Notes of £. 5 and upwards and Post Bills.	Bank Notes under £.5.	Circulation.	Deposits.	Rest.		Bullion.	Securities.	Public.	Private.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
28 February 1799	11,494,150	1,465,650	12,959,800	8,131,820	3,511,310	24,602,930	7,563,900	17,039,030	11,510,677	5,528,353
31 August 1799	12,047,790	1,341,700	13,389,490	7,642,240	2,899,490	23,931,220	7,000,780	16,930,440	9,452,955	7,477,485
28 February 1800	15,372,930	1,471,540	16,844,470	7,062,680	3,661,150	27,568,300	6,144,250	21,424,050	13,975,663	7,448,387
31 August 1800	13,448,540	1,598,640	15,047,180	8,335,060	3,906,630	27,288,870	5,150,450	22,138,420	13,586,590	8,551,830
28 February 1801	13,578,520	2,634,760	16,213,280	10,745,840	4,105,730	31,064,850	4,640,120	26,424,730	15,958,011	10,466,719
31 August 1801	12,143,460	2,412,650	14,556,110	8,133,830	3,854,890	26,544,830	4,335,260	22,209,570	11,926,873	10,282,697
28 February 1802	12,574,860	2,612,020	15,186,880	6,858,210	4,067,680	26,112,770	4,152,950	21,959,820	14,199,094	7,760,726
31 August 1802	13,848,470	3,249,160	17,097,630	9,739,140	4,168,370	31,005,140	3,891,780	27,113,360	13,528,599	13,584,761
28 February 1803	12,350,970	2,968,960	15,319,930	8,050,240	4,321,480	27,691,650	3,776,750	23,914,900	9,417,887	14,497,013
31 August 1803	12,217,390	3,765,940	15,983,330	9,817,240	4,710,770	30,511,340	3,592,500	26,918,840	13,336,179	13,582,661
29 February 1804	12,546,560	4,531,270	17,077,830	8,676,830	4,616,450	30,371,110	3,372,140	26,998,970	14,684,686	12,314,284
31 August 1804	12,466,790	4,687,100	17,153,890	9,715,530	4,836,450	31,705,870	5,879,190	25,826,680	14,993,395	10,833,285
28 February 1805	13,011,010	4,860,160	17,871,170	12,083,620	4,590,400	34,545,190	5,883,800	28,661,390	16,889,501	11,771,889
31 August 1805	11,862,740	4,525,660	16,388,400	14,048,080	4,960,870	35,397,350	7,624,500	27,772,850	11,413,266	16,359,584
28 February 1806	13,271,520	4,458,600	17,730,120	9,980,790	4,867,350	32,578,260	5,987,190	26,591,070	14,813,599	11,777,471
31 August 1806	16,757,930	4,269,540	21,027,470	9,636,330	5,024,320	35,688,120	6,215,020	29,473,100	14,167,772	15,305,328
28 February 1807	12,840,790	4,109,890	16,950,680	11,829,320	4,771,300	33,551,300	6,142,840	27,408,460	13,452,871	13,955,589
31 August 1807	15,432,990	4,245,370	19,678,360	11,789,200	4,953,740	36,421,300	6,484,350	29,936,950	13,410,055	16,526,895
29 February 1808	14,093,690	4,095,170	18,188,860	11,961,960	5,088,730	35,239,550	7,855,470	27,384,080	14,149,501	13,234,579
31 August 1808	12,993,020	4,118,270	17,111,290	13,012,510	5,136,230	35,260,030	6,015,940	29,244,090	14,956,394	14,287,696
28 February 1809	14,241,360	4,301,500	18,542,860	9,982,950	5,081,090	33,606,900	4,488,700	29,118,200	14,743,425	14,374,775
31 August 1809	14,393,110	5,181,070	19,574,180	12,257,180	5,256,390	37,087,750	3,652,480	33,435,270	15,307,673	18,127,597
28 February 1810	15,159,180	5,860,420	21,019,600	12,457,310	5,403,080	38,879,990	3,501,410	35,378,580	14,322,634	21,055,946
31 August 1810	17,570,780	7,223,210	24,793,990	13,617,520	5,754,110	44,165,620	3,191,850	40,973,770	17,198,677	23,775,093
28 February 1811	16,246,130	7,114,090	23,360,220	11,445,650	5,667,420	40,473,290	3,350,940	37,122,350	17,201,800	19,920,550
31 August 1811	15,692,490	7,594,360	23,286,850	11,075,660	5,964,070	40,326,580	3,243,300	37,083,280	21,884,248	15,199,032
29 February 1812	15,951,290	7,457,030	23,408,320	11,595,200	6,005,960	41,009,480	2,983,190	38,026,290	22,127,253	15,899,037
31 August 1812	15,385,470	7,641,410	23,026,880	11,848,910	6,399,600	41,275,390	3,099,270	38,176,120	21,165,190	17,010,930
27 February 1813	15,497,320	7,713,610	23,210,930	11,268,180	6,336,340	40,815,450	2,884,500	37,930,950	25,036,626	12,894,324
31 August 1813	16,790,980	8,937,140	24,828,120	11,159,730	6,830,500	42,818,350	2,712,270	40,106,080	25,591,336	14,514,744
28 February 1814	16,455,540	8,345,540	24,801,080	12,455,460	6,937,800	44,194,340	2,204,430	41,989,910	23,630,317	18,359,593
31 August 1814	18,703,210	9,665,080	28,368,290	14,849,940	7,225,410	50,443,640	2,097,680	48,345,960	34,982,485	13,363,475
28 February 1815	18,226,400	9,035,250	27,261,650	11,702,250	7,631,510	46,595,410	2,036,910	44,558,500	27,512,804	17,045,696
31 August 1815	17,766,140	9,482,530	27,248,670	12,696,000	8,318,550	48,263,220	3,409,040	44,854,180	24,194,086	20,660,094
29 February 1816	18,012,220	9,001,400	27,013,620	12,388,890	8,639,680	48,042,190	4,610,880	43,401,310	19,425,780	23,975,530
31 August 1816	17,661,510	9,097,210	26,758,720	11,856,380	6,227,220	44,842,320	7,562,780	37,279,540	26,097,131	11,182,109
28 February 1817	19,261,630	8,136,270	27,397,900	10,825,610	5,736,090	43,959,600	9,680,970	34,278,630	25,538,808	8,739,822
30 August 1817	21,550,630	7,993,150	29,543,780	9,084,590	5,645,520	44,273,890	11,668,260	32,605,630	27,098,238	5,507,392
28 February 1818	20,370,290	7,100,680	27,770,970	7,997,550	5,192,270	40,960,790	10,055,460	30,905,330	26,913,360	3,991,970
31 August 1818	18,676,220	7,525,930	26,202,150	7,927,730	4,604,040	38,733,920	6,363,160	32,370,760	27,257,012	5,113,748
27 February 1819	17,772,470	7,354,230	25,126,700	6,413,370	4,099,550	35,639,620	4,184,620	31,455,000	22,355,115	9,099,885
31 August 1819	18,017,450	7,235,240	25,252,690	6,304,160	3,779,060	35,335,910	3,595,360	31,740,550	25,419,148	6,321,402
29 February 1820	16,794,980	6,689,130	23,484,110	4,093,550	3,520,880	31,098,540	4,911,050	26,187,490	21,715,168	4,472,322
31 August 1820	17,600,730	6,698,610	24,299,340	4,420,910	3,336,950	32,057,200	8,211,080	23,846,120	19,173,997	4,672,123
28 February 1821	17,447,360	6,437,560	23,884,920	5,622,890	3,158,360	32,666,170	11,869,900	20,796,270	16,010,990	4,785,280
31 August 1821	17,747,070	2,548,230	20,295,300	5,818,450	3,595,380	29,709,130	11,233,590	18,475,540	15,752,953	2,722,587
28 February 1822	17,290,500	1,374,850	18,665,350	4,689,940	3,674,940	27,030,230	11,057,150	15,973,080	12,478,133	3,494,947
31 August 1822	16,609,460	855,330	17,464,790	6,399,440	3,524,240	27,388,470	10,097,960	17,290,510	13,668,359	3,622,151
28 February 1823	17,710,740	681,500	18,392,240	7,181,100	3,130,620	28,703,960	10,384,230	18,319,730	13,658,829	4,660,901
30 August 1823	18,682,760	548,480	19,231,240	7,827,350	3,067,020	30,125,610	12,658,240	17,467,370	11,842,677	5,624,693
28 February 1824	19,250,860	486,130	19,736,990	10,097,850	2,847,220	32,682,060	13,810,060	18,872,000	14,341,127	4,530,873
31 August 1824	19,688,980	443,140	20,132,120	9,679,810	2,880,030	32,691,960	11,787,430	20,904,530	14,649,187	6,255,343
28 February 1825	20,337,030	416,730	20,753,760	10,168,780	2,807,890	33,730,430	8,779,100	24,951,330	19,447,588	5,503,742
31 August 1825	19,092,500	396,340	19,398,840	6,410,560	2,930,950	28,740,350	3,634,320	25,106,030	17,414,566	7,691,464
28 February 1826	24,092,660	1,375,250	25,467,910	6,935,940	2,974,240	35,378,090	2,459,510	32,918,580	20,573,258	12,345,322
31 August 1826	20,402,300	1,161,260	21,563,560	7,199,860	3,074,440	31,837,860	6,754,230	25,083,630	17,713,881	7,369,749

(*continued*)

Account of the Amount of the Notes of the Bank of England in Circulation, &c. from the Year 1778 to 1847—*continued.*

—	CIRCULATION; viz.		LIABILITIES.			Total of the Liabilities and of the Means.	MEANS.		SECURITIES; viz.	
	Bank Notes of £. 5 and upwards, and Post Bills.	Bank Notes under £.5.	Circulation.	Deposits.	Rest.		Bullion.	Securities.	Public.	Private.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
28 February 1827	21,229,220	661,390	21,890,610	8,801,660	2,996,280	33,688,550	10,159,020	23,529,530	18,685,015	4,844,515
31 August 1827	22,267,400	480,200	22,747,600	8,052,090	2,863,400	33,663,090	10,463,770	23,199,320	19,809,595	3,389,725
29 February 1828	21,564,450	416,260	21,980,710	9,198,140	2,749,710	33,928,560	10,347,290	23,581,270	19,818,777	3,762,493
30 August 1828	20,975,170	382,340	21,357,510	10,201,280	2,845,620	34,404,410	10,498,880	23,905,530	20,682,776	3,222,754
28 February 1829	19,514,020	356,830	19,870,850	9,553,960	2,794,960	32,219,770	6,835,020	25,384,750	19,736,665	5,648,085
31 August 1829	19,213,530	333,850	19,547,380	9,035,070	2,874,890	31,457,340	6,795,530	24,661,810	20,072,440	4,589,370
27 February 1830	19,730,240	320,490	20,050,730	10,763,150	2,561,510	33,375,390	9,171,000	24,204,390	20,038,890	4,165,500
30 August 1830	21,151,390	313,310	21,464,700	11,620,840	2,630,630	35,716,170	11,150,480	24,565,690	20,911,616	3,654,074
28 February 1831	19,293,270	306,870	19,600,140	11,213,530	2,612,360	33,426,030	8,217,050	25,208,980	19,927,572	5,281,408
31 August 1831	18,236,240	302,390	18,538,630	9,069,310	2,736,850	30,344,790	6,439,760	23,905,030	18,056,552	5,848,478
29 February 1832	17,752,610	299,100	18,051,710	8,937,170	2,637,760	29,626,640	5,293,150	24,333,490	18,497,448	5,836,042
31 August 1832	17,685,820	294,830	17,980,650	10,875,140	2,667,440	31,523,230	7,596,650	23,926,580	19,147,290	4,779,290
28 February 1833	19,078,080	292,410	19,370,490	12,395,430	2,558,880	34,324,800	9,500,270	24,824,530	19,373,570	5,450,960
31 August 1833	19,340,070	289,650	19,629,720	12,588,100	2,601,200	34,819,020	9,894,550	24,924,470	18,925,070	5,999,400
28 February 1834	18,965,350	287,560	19,252,910	13,356,390	2,576,760	35,186,060	8,537,390	26,648,670	18,123,800	8,524,870
31 August 1834	18,553,770	285,920	18,839,690	13,792,760	2,701,110	35,333,560	6,520,600	28,812,960	19,124,070	9,688,890
28 February 1835	18,043,940	284,740	18,328,680	10,823,010	2,748,910	31,900,600	6,259,440	25,641,160	17,770,500	7,870,660
31 August 1835	17,608,760	283,460	17,892,220	13,741,820	2,760,350	34,394,390	6,201,960	28,192,430	17,124,200	11,068,230
29 February 1836	17,819,660	282,570	18,102,230	14,322,530	2,798,490	35,223,250	7,888,700	27,334,550	16,109,400	11,225,150
31 August 1836	18,770,090	281,670	18,158,760	12,275,520	2,813,750	33,248,030	5,273,790	27,974,240	14,776,530	13,197,710
28 February 1837	17,952,120	280,560	18,232,680	10,593,800	2,962,330	31,788,810	4,089,600	27,699,210	12,642,860	15,056,350
31 August 1837	18,462,300	278,950	18,741,250	10,376,480	2,968,070	32,085,800	6,673,010	25,412,790	13,761,890	11,650,900
28 February 1838	18,508,080	277,910	18,785,990	11,022,120	2,817,120	32,625,230	10,524,520	22,100,710	13,599,490	8,501,220
31 August 1838	19,468,660	277,100	19,745,760	8,627,700	2,849,460	31,222,920	9,547,710	21,675,210	13,551,620	8,123,590
28 February 1839	17,811,330	276,420	18,087,750	8,153,380	2,709,400	28,950,530	6,832,370	22,118,160	13,550,540	8,567,620
31 August 1839	17,552,060	275,870	17,827,930	7,804,430	2,873,950	28,506,310	2,404,540	26,101,770	13,518,380	12,583,390
29 February 1840	16,275,420	273,520	16,548,940	7,801,310	2,878,070	27,228,320	4,395,500	22,832,820	13,787,690	9,045,130
31 August 1840	16,724,790	272,340	16,997,130	6,313,760	2,845,770	26,156,660	4,288,680	21,867,980	14,340,450	7,527,530
27 February 1841	16,139,440	271,560	16,411,000	6,930,300	2,802,730	26,144,030	4,427,500	21,716,530	13,494,840	8,221,690
31 August 1841	17,259,750	270,850	17,530,600	7,499,380	2,857,250	27,887,230	4,831,940	23,055,290	15,082,310	7,972,980
28 February 1842	16,743,280	270,380	17,013,660	8,556,740	2,818,010	28,388,410	6,360,730	22,027,680	13,763,450	8,264,230
31 August 1842	19,801,780	269,820	20,071,600	8,765,640	2,869,170	31,706,410	9,846,140	21,860,270	14,676,400	7,183,870
28 February 1843	20,015,060	269,310	20,284,370	11,262,560	2,737,230	34,284,160	11,149,790	23,134,370	16,978,390	6,155,980
31 August 1843	19,339,790	- -	19,339,790	11,307,060	3,279,800	33,926,650	12,295,000	21,631,650	15,914,410	5,717,240
29 February 1844	21,148,370	- -	21,148,370	12,529,160	3,184,870	36,862,400	16,213,950	20,648,450	14,810,520	5,837,930
31 August 1844	21,485,260	- -	21,485,260	12,137,590	3,563,790	37,186,640	15,314,540	21,872,100	14,001,830	7,870,270
28 February 1845	21,201,720	- -	21,201,720	15,722,960	3,573,520	40,498,200	15,767,590	24,730,610	12,921,380	11,809,230
30 August 1845	22,109,220	- -	22,109,220	14,401,560	3,588,890	40,099,670	15,592,290	24,507,380	12,794,570	11,712,810
28 February 1846	20,968,240	- -	20,968,240	24,943,600	3,689,430	49,601,270	13,775,790	35,825,480	12,583,440	23,242,040
31 August 1846	21,390,420	- -	21,390,420	16,322,310	3,839,750	41,552,480	16,388,100	25,164,380	12,408,730	12,755,650
27 February 1847	20,151,760	- -	20,151,760	15,250,180	3,899,220	39,301,160	12,044,930	27,256,230	11,437,080	15,819,150
31 August 1847	18,828,070	- -	18,828,070	14,416,850	3,925,630	37,170,550	9,163,840	28,006,710	11,083,340	16,923,370

Bank of England,
19 January 1848.

Will^m Smee,
Chief Acct.

AN ACCOUNT of the Amount of the Notes of the Bank of *England* in Circulation, of the Amount of all Deposits, and of the Amount of all Securities, and of the Amount of all Bullion held by the Bank of *England*, on the 28th day of February and the 31st day of August in each Year, from the Year 1848 to the 31st day of August 1856 inclusive (in continuation of the Return No. 4, in the Appendix to the Report of the Select Committee on Commercial Distress, 1848).

	Circulation, viz.: Bank Notes of £. 5 and upwards, and Post Bills.	DEPOSITS.	REST.	TOTAL of the LIABILITIES and MEANS.	MEANS.		SECURITIES.	
					Bullion.	Securities.	Public.	Private.
	£.	£.	£.	£.	£.	£.	£.	£.
29 February 1848 - -	19,125,290	16,050,970	3,946,520	39,122,780	14,849,200	24,273,580	11,021,920	13,251,660
31 August 1848 - -	19,140,160	13,827,490	3,808,540	36,776,190	13,588,320	23,187,870	11,909,740	11,278,130
28 February 1849 - -	19,139,370	16,170,590	3,843,860	39,153,820	15,338,850	23,814,970	13,521,180	10,293,790
31 August 1849 - -	19,534,290	15,574,110	3,567,330	38,675,730	14,816,680	23,859,050	13,781,250	10,077,800
28 February 1850 - -	20,111,770	17,498,760	3,583,430	41,193,960	17,159,150	24,034,810	13,846,360	10,188,450
31 August 1850 - -	20,987,760	17,542,380	3,536,660	42,066,800	16,769,570	25,297,230	13,877,850	11,419,380
28 February 1851 - -	20,309,010	17,347,030	3,594,890	41,250,930	14,476,280	26,774,650	13,592,690	13,181,960
30 August 1851 - -	20,965,430	16,132,990	3,566,960	40,665,380	14,362,420	26,302,960	12,911,210	13,391,750
28 February 1852 - -	21,645,260	18,381,560	3,604,180	43,631,000	19,238,920	24,392,080	13,005,100	11,386,980
31 August 1852 - -	23,868,710	19,304,110	3,540,540	46,713,360	21,998,640	24,714,720	13,636,180	11,078,540
28 February 1853 - -	23,480,930	19,501,750	3,594,230	46,576,910	18,140,430	28,436,480	12,935,850	15,500,630
31 August 1853 - -	24,028,660	15,806,410	3,596,670	43,431,740	16,871,700	26,560,040	12,373,270	14,186,770
28 February 1854 - -	22,958,330	14,299,800	3,685,470	40,943,600	16,266,100	24,677,500	12,241,960	12,435,540
31 August 1854 - -	20,875,040	13,923,320	3,654,910	38,453,270	13,533,290	24,919,980	10,441,880	14,478,100
29 February 1855 - -	19,902,830	15,679,700	3,600,250	39,182,780	13,048,050	26,134,730	11,448,940	14,685,790
31 August 1855 - -	21,119,880	18,262,110	3,605,170	42,987,160	15,149,590	27,837,570	13,031,090	14,806,480
29 February 1856 - -	19,672,490	18,038,010	3,728,380	41,438,880	10,630,520	30,808,360	11,373,000	19,435,360
30 August 1856 - -	21,055,030	15,324,890	3,688,400	40,068,320	12,387,100	27,681,220	12,036,070	15,645,150

Bank of England,
27 February 1857.

Will^m Smee,
Chief Acc^t.

Appendix, No. 12. - - - - - - - -

Appendix, No. 5, to Report from Select

AN ACCOUNT of the NOTES, SECURITIES, BULLION, &c. of the Bank of *England*, as published down to the latest Period to

ISSUE DEPARTMENT.

Weeks ending	Notes Issued.	TOTAL.	Government Debt.	Other Securities.	Gold Coin and Bullion.	Silver Bullion.	TOTAL.	Proprietors' Capital.	Rest.
1844 :	£.	£.	£.	£.	£.	£.	£.	£.	£.
September 7	28,351,295	28,351,295	11,015,100	2,984,900	12,657,208	1,694,087	28,351,295	14,553,000	3,564,729
— 14	28,500,880	28,500,880	„	„	12,806,794	1,694,086	28,508,880	„	3,565,796
— 21	28,582,705	28,582,705	„	„	12,888,619	1,694,086	28,582,705	„	3,567,007
— 28	28,362,830	28,362,830	„	„	12,668,744	1,694,086	28,362,830	„	3,568,518
October 5	28,082,905	28,082,905	„	„	12,388,819	1,694,086	28,082,905	„	3,552,704
— 12	27,838,085	27,838,085	„	„	12,149,367	1,688,718	27,838,085	„	3,059,645
— 19	27,731,910	27,731,910	„	„	12,043,192	1,688,718	27,731,910	„	3,102,033
— 26	27,545,730	27,545,730	„	„	11,897,842	1,647,888	27,545,730	„	3,105,387
November 2	27,498,580	27,498,580	„	„	11,875,969	1,622,611	27,498,580	„	3,131,881
— 9	27,400,995	27,400,995	„	„	11,790,467	1,610,528	27,400,995	„	3,133,564
— 16	27,507,795	27,507,795	„	„	11,914,184	1,593,611	27,507,795	„	3,137,195
— 23	27,528,875	27,528,875	„	„	11,935,264	1,593,611	27,528,875	„	3,139,027
— 30	27,786,190	27,786,190	„	„	12,192,579	1,593,611	27,786,190	„	3,140,040
December 7	27,817,505	27,817,505	„	„	12,223,894	1,593,611	27,817,505	„	3,110,069
— 14	28,003,705	28,003,705	„	„	12,410,094	1,593,611	28,003,705	„	3,105,886
— 21	28,151,730	28,151,730	„	„	12,558,119	1,593,611	28,151,730	„	3,110,513
— 28	28,200,165	28,200,165	„	„	12,606,554	1,593,611	28,200,165	„	3,113,267
1845 :									
January 4	28,087,055	28,087,055	„	„	12,493,444	1,593,611	28,087,055	„	3,127,278
— 11	28,163,130	28,163,130	„	„	12,543,092	1,620,038	28,163,130	„	3,194,623
— 18	28,133,080	28,133,080	„	„	12,480,235	1,652,845	28,133,080	„	3,208,159
— 25	28,128,310	28,128,310	„	„	12,463,197	1,665,113	28,128,310	„	3,209,696
February 1	28,232,485	28,232,485	„	„	12,548,405	1,684,080	28,232,485	„	3,298,944
— 8	28,447,835	28,447,835	„	„	12,552,401	1,895,434	28,447,835	„	3,302,806
— 15	28,537,255	28,537,255	„	„	12,638,987	1,898,268	28,537,255	„	3,302,136
— 22	28,679,520	28,679,520	„	„	12,755,367	1,924,153	28,679,520	„	3,252,281
March 1	28,952,105	28,952,105	„	„	12,943,918	2,008,187	28,952,105	„	3,575,172
— 8	29,040,075	29,040,075	„	„	13,008,880	2,031,195	29,040,075	„	3,577,267
— 15	29,148,060	29,148,060	„	„	13,102,753	2,045,307	29,148,060	„	3,579,429
— 22	29,213,555	29,213,555	„	„	13,177,831	2,035,724	29,213,555	„	3,581,884
— 29	29,471,410	29,471,410	„	„	13,380,953	2,090,457	29,471,410	„	3,584,054
April 5	29,352,145	29,352,145	„	„	13,260,543	2,091,602	29,352,145	„	3,586,219
— 12	29,216,950	29,216,950	„	„	13,143,380	2,073,570	29,216,950	„	3,147,578
— 19	29,184,220	29,184,220	„	„	13,110,947	2,073,273	29,184,220	„	3,151,333
— 26	29,253,945	29,253,945	„	„	13,180,672	2,073,273	29,253,945	„	3,176,289
May 3	29,167,095	29,167,095	„	„	13,088,142	2,078,953	29,167,095	„	3,183,817
— 10	29,222,935	29,222,935	„	„	13,124,113	2,098,822	29,222,935	„	3,183,822
— 17	29,340,425	29,340,425	„	„	13,237,395	2,103,030	29,340,425	„	3,188,579
— 24	29,412,545	29,412,545	„	„	13,309,515	2,103,030	29,412,545	„	3,191,461
— 31	29,635,735	29,635,735	„	„	13,532,705	2,103,030	29,635,735	„	3,181,245
June 7	29,732,600	29,732,600	„	„	13,605,716	2,126,884	29,732,600	„	3,136,091
— 14	29,917,115	29,917,115	„	„	13,785,460	2,131,655	29,917,115	„	3,136,239
— 21	30,051,610	30,051,610	„	„	13,911,607	2,140,003	30,051,610	„	3,140,557
— 28	30,047,470	30,047,470	„	„	13,907,467	2,140,003	30,047,470	„	3,143,841
July 5	29,891,935	29,891,935	„	„	13,751,932	2,140,003	29,891,935	„	3,164,433
— 12	29,682,660	29,682,660	„	„	13,542,657	2,140,003	29,682,660	„	3,218,008
— 19	29,393,700	29,393,700	„	„	13,394,306	1,999,394	29,393,700	„	3,234,268
— 26	29,243,520	29,243,520	„	„	13,244,126	1,999,394	29,243,520	„	3,321,972
August 2	29,196,760	29,196,760	„	„	13,206,991	1,989,769	29,196,760	„	3,338,246
— 9	29,141,605	29,141,605	„	„	13,151,836	1,989,769	29,141,605	„	3,340,750
— 16	29,075,905	29,075,905	„	„	13,086,136	1,989,769	29,075,905	„	3,348,596
— 23	29,022,310	29,022,310	„	„	13,032,541	1,989,769	29,022,310	„	3,349,282
— 30	29,009,005	29,009,005	„	„	13,019,004	1,990,001	29,009,005	„	3,588,888
September 6	28,953,300	28,953,300	„	„	12,982,591	1,970,709	28,953,300	„	3,608,180
— 13	28,790,195	28,790,195	„	„	12,819,486	1,970,709	28,790,195	„	3,611,164
— 20	28,798,230	28,798,230	„	„	12,863,507	1,934,723	28,798,230	„	3,616,685
— 27	28,557,990	28,557,990	„	„	12,717,050	1,840,940	28,557,990	„	3,621,711
October 4	28,355,670	28,355,670	„	„	12,514,730	1,840,940	28,355,670	„	3,629,978
— 11	28,068,820	28,068,820	„	„	12,253,289	1,815,531	28,068,820	„	3,140,006
— 18	27,778,955	27,778,955	„	„	12,018,447	1,760,508	27,778,955	„	3,188,641
— 25	27,415,690	27,415,690	„	„	11,758,159	1,657,531	27,415,690	„	3,212,133

- - - - - - - - Appendix, No. 12.

Committee on Commercial Distress, 1848.

Weekly in the "Gazette," since the passing of the Act 7 & 8 Vict., c. 32, from 31st August 1844 which the same can be made up.

BANKING DEPARTMENT.

Public Deposits.	Other Deposits.	Seven-Day and Other Bills.	TOTAL.	Government Securities.	Other Securities.	Notes.	Gold and Silver Coin.	TOTAL.	Weeks ending
£.	£.	£.	£.	£.	£.	£.	£.	£.	1844:
3,630,809	8,644,348	1,030,354	31,423,240	14,554,834	7,835,616	8,175,025	857,765	31,423,240	7 September.
4,417,067	8,475,101	1,007,670	32,018,634	14,554,834	8,146,689	8,620,220	696,891	32,018,634	14 —
5,293,615	8,511,771	972,959	32,898,352	14,554,834	8,802,714	8,964,545	576,259	32,898,352	21 —
6,010,235	8,286,772	1,052,280	33,470,805	14,554,834	9,795,840	8,460,705	659,426	33,470,805	28 —
6,202,322	8,225,082	1,081,258	33,614,366	14,554,834	10,510,120	7,930,010	619,402	33,614,366	5 October.
8,147,290	8,230,673	1,107,985	35,098,593	16,352,834	10,528,785	7,610,025	606,949	35,098,593	12 —
3,965,196	8,506,798	1,074,673	31,201,700	15,676,037	8,418,826	6,648,665	458,172	31,201,700	19 —
3,556,646	8,291,481	1,065,712	30,572,226	15,408,775	8,387,508	6,224,845	551,098	30,572,226	26 —
3,471,119	8,757,379	1,051,941	30,965,320	15,070,775	8,675,659	6,678,715	540,171	30,965,320	2 November.
3,653,893	8,340,444	1,019,350	30,700,251	14,409,775	8,731,567	6,844,275	714,634	30,700,251	9 —
3,879,458	8,029,934	989,320	30,588,907	13,539,775	9,398,630	6,927,045	723,457	30,588,907	16 —
4,812,191	7,864,144	965,990	31,334,352	13,539,775	9,547,462	7,410,400	836,715	31,334,352	23 —
5,226,633	8,345,610	949,133	32,214,416	13,539,775	9,958,645	7,943,850	772,146	32,214,416	30 —
5,795,572	8,422,809	966,455	32,847,905	13,540,619	10,193,713	8,286,105	827,468	32,847,905	7 December.
6,385,654	8,381,188	994,174	33,419,902	13,540,619	10,293,154	8,745,540	840,589	33,419,902	14 —
7,075,258	8,348,738	967,934	34,055,443	13,540,619	10,763,777	8,959,630	791,417	34,055,443	21 —
7,411,605	8,265,079	984,540	34,327,491	13,540,619	11,031,821	9,076,800	678,251	34,327,491	28 —
									1845:
7,366,643	8,037,320	1,015,166	34,099,407	13,539,720	11,426,996	8,418,125	714,566	34,099,407	4 January.
4,128,966	8,877,905	1,019,528	31,774,022	14,386,839	9,001,544	7,772,930	612,709	31,774,022	11 —
3,069,572	8,803,570	1,079,821	30,714,122	13,843,692	8,627,598	7,588,085	654,747	30,714,122	18 —
2,787,253	8,714,052	1,058,727	30,322,728	13,651,692	8,561,399	7,418,075	691,562	30,322,728	25 —
2,852,124	8,713,690	1,085,065	30,502,823	13,541,692	8,652,751	7,642,235	666,145	30,502,823	1 February.
3,715,171	9,732,193	1,068,046	32,371,216	13,476,160	10,065,958	8,128,350	700,748	32,371,216	8 —
4,630,247	9,944,408	1,031,922	33,461,713	13,474,379	10,821,457	8,395,065	770,812	33,461,713	15 —
5,237,999	9,941,556	985,035	33,969,871	13,522,379	10,784,494	8,889,215	773,783	33,969,871	22 —
5,476,984	10,323,799	983,328	34,912,283	13,474,379	11,707,400	8,952,545	777,959	34,912,283	1 March.
5,879,753	10,379,610	982,386	35,372,016	13,474,379	11,720,459	9,340,815	836,363	35,372,016	8 —
6,451,283	9,994,572	980,378	35,558,622	13,474,379	11,836,377	9,451,385	796,521	35,558,662	15 —
6,890,121	10,452,425	992,192	36,469,622	13,474,379	12,535,169	9,673,205	786,869	36,469,622	22 —
7,321,855	10,713,052	1,023,977	37,195,938	13,589,379	13,126,469	9,747,280	732,810	37,195,938	29 —
6,924,106	10,445,950	1,063,189	36,572,464	13,474,379	13,123,678	9,252,350	722,057	36,572,464	5 April.
4,355,166	11,753,022	1,085,969	34,894,735	15,147,495	11,069,829	8,001,434	675,977	34,894,735	12 —
3,218,350	11,531,267	1,122,066	33,576,016	14,471,966	10,654,085	7,791,345	658,620	33,576,016	19 —
2,643,448	10,781,637	1,181,547	32,335,921	13,921,966	9,680,272	8,101,770	631,913	32,335,921	26 —
2,712,041	10,355,640	1,139,238	31,943,736	13,616,966	9,857,686	7,827,925	641,159	31,943,736	3 May.
3,391,477	10,065,486	1,106,626	32,300,411	13,416,966	10,104,644	8,140,050	638,751	32,300,411	10 —
4,357,386	10,276,032	1,060,598	33,435,595	13,385,797	10,656,808	8,734,045	658,945	33,435,595	17 —
5,051,007	10,087,531	1,021,487	33,904,486	13,384,898	10,644,537	9,014,845	860,206	33,904,486	24 —
5,352,114	10,865,704	1,030,555	34,982,618	13,464,898	11,558,992	9,182,485	776,243	34,982,618	31 —
5,745,482	10,564,624	1,018,497	35,017,694	13,384,898	11,470,805	9,382,505	779,486	35,017,694	7 June.
6,261,465	10,315,111	976,405	35,242,220	13,384,898	11,305,902	9,854,615	696,805	35,242,220	14 —
6,951,773	10,147,586	1,001,282	35,794,198	13,384,898	11,984,420	9,837,175	587,705	35,794,198	21 —
7,398,420	10,154,148	1,026,853	36,276,262	13,384,898	12,619,663	9,717,270	554,431	36,276,262	28 —
7,330,309	10,041,440	1,045,502	36,134,684	13,384,206	12,944,496	9,279,785	526,197	36,134,684	5 July.
3,456,089	11,356,519	1,031,545	33,665,161	13,800,344	11,282,221	8,068,970	513,626	33,665,161	12 —
2,834,528	10,934,390	1,091,953	32,648,139	13,456,776	10,815,121	7,890,610	485,632	32,648,139	19 —
2,933,908	10,745,613	1,085,211	32,639,704	13,539,344	10,607,877	7,942,485	549,998	32,639,704	26 —
3,215,363	10,960,214	1,072,260	33,139,083	13,321,844	11,463,603	7,849,785	503,851	33,139,083	2 August.
4,034,767	10,187,780	1,050,220	33,166,517	13,321,844	11,634,159	7,682,465	528,049	33,166,517	9 —
4,969,963	8,973,401	1,374,346	33,219,306	13,441,844	11,679,359	7,494,205	603,898	33,219,306	16 —
5,393,936	8,408,887	1,383,566	33,088,671	13,321,844	11,353,577	7,832,955	580,295	33,088,671	23 —
5,830,311	8,571,253	1,059,606	33,603,058	13,347,570	11,712,811	7,959,390	583,287	33,603,058	30 —
6,474,705	8,507,213	1,021,689	34,164,787	13,468,643	11,967,081	8,255,505	473,558	34,164,787	6 September.
7,319,619	8,316,750	963,995	34,764,528	13,348,643	12,391,188	8,430,706	593,997	34,764,528	13 —
8,222,109	8,110,787	1,020,324	35,522,905	13,348,643	13,297,048	8,327,895	549,319	35,522,905	20 —
8,802,110	8,070,212	1,000,311	36,047,344	13,348,643	14,149,003	7,946,995	602,703	36,047,344	27 —
8,703,497	8,167,961	1,088,160	36,142,596	13,348,643	15,188,965	7,095,615	509,373	36,142,596	4 October.
8,782,975	8,474,856	1,081,206	36,032,043	13,348,643	15,133,966	7,037,600	511,834	36,032,043	11 —
4,488,419	9,835,604	1,123,843	33,189,507	13,203,138	14,049,529	5,525,510	411,330	33,189,507	18 —
4,323,662	8,930,134	1,090,472	32,109,401	13,203,138	12,931,115	5,389,575	585,573	32,109,401	25 —

An Account of the Notes, Securities, Bullion, &c. of the Bank of *England*, as published Weekly in the "Gazette," since the

ISSUE DEPARTMENT.

Weeks ending	Notes Issued.	TOTAL.	Government Debt.	Other Securities.	Gold Coin and Bullion.	Silver Bullion.	TOTAL.	Proprietors' Capital.	Rest.
1845—*cont*^{d}.	£.	£.	£.	£.	£.	£.	£.	£.	£.
November 1	27,267,115	27,267,115	11,015,100	2,984,900	11,661,681	1,605,434	27,267,115	14,553,000	3,224,453
— 8	27,267,365	27,202,365	"	"	11,670,074	1,532,291	27,202,365	"	3,234,595
— 15	26,974,685	26,974,685	"	"	11,478,722	1,495,963	26,974,685	"	3,244,733
— 22	27,036,550	27,036,550	"	"	11,441,931	1,594,619	27,036,550	"	3,252,209
— 29	26,733,810	26,733,810	"	"	11,159,981	1,573,829	26,733,810	"	3,246,426
December 6	26,540,480	26,540,480	"	"	10,992,631	1,547,849	26,540,480	"	3,209,394
— 13	26,626,350	26,626,350	"	"	11,054,501	1,571,849	26,626,350	"	3,215,596
— 20	26,819,390	26,819,390	"	"	11,240,465	1,578,925	26,819,390	"	3,221,636
— 27	26,771,510	26,771,510	"	"	11,189,484	1,582,026	26,771,510	"	3,227,443
1846:									
January 3	26,675,925	26,675,925	"	"	11,093,869	1,582,056	26,675,925	"	3,254,660
— 10	26,541,200	26,541,200	"	"	11,006,127	1,535,073	26,541,200	"	3,314,454
— 17	26,573,910	25,573,910	"	"	11,025,956	1,547,954	26,573,910	"	3,341,777
— 24	26,525,025	26,525,025	"	"	10,974,471	1,550,554	26,525,025	"	3,356,690
— 31	26,587,355	26,587,355	"	"	11,028,945	1,558,410	26,587,355	"	3,451,151
February 7	26,698,620	26,698,620	"	"	11,140,210	1,558,410	26,698,620	"	3,462,787
— 14	26,800,325	26,800,325	"	"	11,177,282	1,623,043	26,800,325	"	3,474,577
— 21	26,973,255	26,973,255	"	"	11,346,130	1,627,125	26,973,255	"	3,477,016
— 28	27,015,295	27,015,295	"	"	11,353,065	1,662,230	27,015,295	"	3,689,430
March 7	27,079,270	27,079,270	"	"	11,417,040	1,662,230	27,079,270	"	3,757,708
— 14	27,117,805	27,117,805	"	"	11,407,524	1,710,281	27,117,805	"	3,767,623
— 21	27,264,475	27,264,475	"	"	11,554,194	1,710,281	27,264,475	"	3,780,009
— 28	27,269,245	27,269,245	"	"	11,558,964	1,710,281	27,269,245	"	3,789,971
April 4	27,181,980	27,181,980	"	"	11,460,445	1,721,535	27,181,980	"	3,799,508
— 11	27,030,255	27,030,255	"	"	11,308,300	1,721,955	27,030,255	"	3,352,391
— 18	27,031,510	27,031,510	"	"	11,250,593	1,780,917	27,031,510	"	3,359,084
— 25	27,049,510	27,049,510	"	"	11,256,880	1,792,630	27,049,510	"	3,364,576
May 2	27,072,295	27,072,295	"	"	11,279,130	1,793,165	27,072,295	"	3,396,540
— 9	27,244,995	27,244,995	"	"	11,451,830	1,793,165	27,244,995	"	3,406,284
— 16	27,520,215	27,520,215	"	"	11,633,619	1,886,596	27,520,215	"	3,418,272
— 23	27,706,865	27,706,865	"	"	11,782,453	1,924,412	27,706,865	"	3,426,036
— 30	27,993,880	27,993,880	"	"	12,062,597	1,931,283	27,993,880	"	3,378,878
June 6	28,325,000	28,325,000	"	"	12,192,710	2,132,290	28,325,000	"	3,379,044
— 13	28,603,395	28,603,395	"	"	12,371,105	2,232,290	28,603,395	"	3,386,810
— 20	29,005,160	29,005,160	"	"	12,592,403	2,412,757	29,005,160	"	3,396,774
— 27	29,273,105	29,273,105	"	"	12,849,579	2,423,520	29,273,105	"	3,405,354
July 4	29,322,200	29,322,200	"	"	12,905,074	2,417,126	29,322,200	"	3,424,178
— 11	29,266,360	29,266,360	"	"	12,844,442	2,421,918	29,266,360	"	3,482,541
— 18	29,139,905	29,139,905	"	"	12,703,642	2,436,263	29,139,905	"	3,504,138
— 25	29,312,945	29,312,945	"	"	12,875,243	2,437,702	29,312,945	"	3,508,378
August 1	29,292,320	29,292,320	"	"	12,854,618	2,437,702	29,292,320	"	3,597,679
— 8	29,386,305	29,386,305	"	"	12,935,426	2,450,879	29,386,305	"	3,603,683
— 15	29,456,535	29,456,535	"	"	12,958,912	2,497,623	29,456,535	"	3,611,298
— 22	29,653,990	29,653,990	"	"	13,145,719	2,508,271	29,653,990	"	3,613,216
— 29	29,875,890	29,875,890	"	"	13,199,102	2,676,788	29,875,890	"	3,554,370
September 5	29,760,870	29,760,870	"	"	13,057,997	2,702,873	29,760,870	"	3,864,479
— 12	29,864,960	29,864,960	"	"	13,154,883	2,710,077	29,864,960	"	3,867,789
— 19	29,758,615	29,758,615	"	"	13,044,770	2,713,845	29,758,615	"	3,873,491
— 26	29,655,855	29,655,855	"	"	12,930,614	2,725,241	29,655,855	"	3,878,988
October 3	29,359,795	29,359,795	"	"	12,632,794	2,727,001	29,359,795	"	3,886,985
— 10	29,078,135	29,078,135	"	"	12,400,634	2,677,501	29,078,135	"	3,383,158
— 17	28,741,645	28,741,645	"	"	12,122,882	2,618,763	28,741,645	"	3,432,359
— 24	28,437,245	28,437,245	"	"	11,868,690	2,568,555	28,437,245	"	3,435,671
— 31	28,309,895	28,309,895	"	"	11,793,084	2,516,811	28,309,895	"	3,463,463
November 7	28,235,885	28,235,885	"	"	11,724,111	2,511,774	28,235,885	"	3,468,352
— 14	28,246,295	28,246,295	"	"	11,739,837	2,506,458	28,246,295	"	3,474,506
— 21	28,317,840	28,317,840	"	"	11,811,382	2,506,458	28,317,840	"	3,482,689
— 28	28,313,545	28,313,545	"	"	11,807,087	2,506,458	28,313,545	"	3,479,967
December 5	28,269,105	28,269,105	"	"	11,762,647	2,506,458	28,269,105	"	3,432,203
— 12	28,410,735	28,410,735	"	"	11,935,818	2,474,917	28,410,735	"	3,437,378
— 19	28,413,000	28,413,000	"	"	11,943,510	2,469,490	28,413,000	"	3,440,884
— 26	28,442,030	28,442,030	"	"	11,972,540	2,469,490	28,442,030	"	3,447,406
1847:									
January 2	28,258,260	28,258,260	"	"	11,788,770	2,469,490	28,258,260	"	3,469,857
— 9	27,552,100	27,552,100	"	"	11,482,442	2,069,658	27,552,100	"	3,520,048
— 16	27,225,335	27,225,335	"	"	11,356,668	1,868,667	27,225,335	"	3,551,483
— 23	26,766,260	26,766,260	"	"	11,091,751	1,674,509	26,766,260	"	3,560,665
— 30	26,172,870	26,172,870	"	"	10,499,161	1,673,709	26,172,870	"	3,643,741

passing of the Act 7 & 8 Vict., cap. 32, from 31 August 1844 down to the latest Period to which the same can be made up—*continued.*

BANKING DEPARTMENT.

Public Deposits.	Other Deposits.	Seven-Day and other Bills.	TOTAL.	Government Securities.	Other Securities.	Notes.	Gold and Silver Coin.	TOTAL.	Weeks ending
£.	£.	£.	£.	£.	£.	£.	£.	£.	1845—*contd.*
4,487,058	9,099,737	1,106,405	32,470,653	13,203,138	13,429,813	5,219,775	617,927	32,470,653	1 November.
5,340,731	9,134,243	1,133,320	33,395,889	13,203,138	14,234,438	5,437,730	520,583	33,395,889	8 —
6,524,834	8,899,130	1,101,349	34,323,046	13,203,138	15,041,397	5,483,110	595,401	34,323,046	15 —
7,363,168	9,024,223	1,063,589	35,256,189	13,201,863	15,454,390	6,076,985	522,951	35,256,189	22 —
7,670,581	8,992,719	1,045,574	35,508,300	13,201,863	15,871,054	5,932,345	503,038	35,508,300	29 —
8,110,401	9,022,019	1,004,471	35,899,285	13,201,863	16,224,712	5,945,840	526,870	35,899,285	6 December.
8,684,374	9,089,705	943,591	36,486,266	13,201,863	16,135,637	6,506,345	642,421	36,486,266	13 —
9,408,044	8,715,667	960,094	36,858,441	13,201,863	16,329,285	6,768,340	558,953	36,858,441	20 —
9,698,409	8,482,239	961,859	36,922,950	13,201,863	16,252,051	6,914,660	554,376	36,922,950	27 —
									1846:
9,369,630	8,350,465	959,967	36,487,722	13,201,072	16,262,593	6,418,510	605,547	36,487,722	3 January.
5,191,017	10,656,207	1,020,503	34,735,181	13,137,047	15,273,096	5,672,855	652,183	34,735,181	10 —
4,710,957	11,254,618	1,009,030	34,869,382	13,137,047	15,773,124	5,393,745	565,466	34,869,382	17 —
4,464,806	14,208,608	1,028,388	37,611,492	13,137,047	18,381,010	5,416,380	677,055	37,611,492	24 —
4,389,810	17,036,830	987,102	40,417,893	13,137,047	21,466,997	5,112,860	700,989	40,417,893	31 —
5,054,438	18,912,445	963,688	42,946,358	13,137,047	22,908,661	6,263,625	637,025	42,946,358	7 February.
5,738,873	18,018,523	945,332	42,730,305	13,137,047	22,251,906	6,674,075	667,277	42,730,305	14 —
6,202,903	18,091,320	918,282	43,242,521	13,137,047	22,539,192	6,887,810	678,472	43,242,521	21 —
6,296,535	18,647,068	947,432	44,133,465	13,136,440	23,242,035	6,994,485	760,505	44,133,465	28 —
6,502,355	17,828,778	898,176	43,540,017	13,136,440	22,118,987	7,576,625	707,965	43,540,017	7 March.
6,804,524	17,476,998	887,487	43,489,632	13,136,440	21,923,787	7,712,120	717,285	43,489,632	14 —
7,065,422	17,356,203	921,887	43,676,521	13,136,440	21,806,194	8,033,665	700,222	43,676,521	21 —
7,319,625	17,103,928	953,579	43,720,103	13,136,731	22,181,392	7,683,690	718,290	43,720,103	28 —
7,074,026	16,763,047	965,446	43,155,027	13,136,440	22,058,631	7,316,415	643,541	43,155,027	4 April.
4,210,976	18,069,993	959,379	41,145,739	14,437,065	19,438,782	6,728,120	541,772	41,145,739	11 —
3,197,029	17,710,987	986,017	39,806,117	13,957,865	18,736,602	6,515,990	595,660	39,806,117	18 —
2,698,953	16,978,110	962,415	38,557,054	13,528,065	17,884,532	6,488,140	656,317	38,557,054	25 —
2,578,451	16,780,380	965,730	38,274,101	13,303,065	17,901,148	6,408,470	661,418	38,274,101	2 May.
3,031,375	16,256,526	981,417	38,228,602	13,023,065	17,734,025	6,836,405	635,107	38,228,602	9 —
4,084,117	16,354,017	963,128	39,372,534	12,988,065	18,222,548	7,497,460	664,461	39,372,534	16 —
4,809,183	15,947,268	970,461	39,705,948	12,988,065	18,236,480	7,774,925	706,478	39,705,948	23 —
5,228,640	16,165,620	890,192	40,216,330	13,008,065	18,460,493	8,043,560	704,212	40,216,330	30 —
5,753,512	15,927,013	852,008	40,464,577	12,988,065	18,321,641	8,468,180	686,691	40,464,577	6 June.
6,537,132	15,518,397	862,665	40,858,004	12,988,065	18,122,098	9,011,510	736,331	40,858,004	13 —
7,313,539	15,293,909	832,981	41,390,203	13,090,946	17,984,603	9,631,235	683,419	41,390,203	20 —
7,807,802	15,034,361	851,222	41,651,739	12,987,946	18,257,149	9,664,090	742,554	41,651,739	27 —
7,794,200	14,402,460	887,364	41,061,202	12,987,142	18,145,319	9,303,090	625,651	41,061,202	4 July.
3,489,416	15,661,286	941,566	38,127,809	12,962,147	16,143,726	8,425,630	596,306	38,127,809	11 —
3,162,696	14,904,973	989,462	37,114,269	12,962,560	15,382,397	8,139,020	630,292	37,114,269	18 —
3,438,401	14,305,341	940,024	36,745,144	12,962,560	14,583,407	8,562,695	636,482	36,745,144	25 —
3,793,610	13,449,388	943,423	36,337,100	12,961,735	14,068,257	8,796,875	510,233	36,337,100	1 August.
5,014,200	12,456,737	952,056	36,579,676	12,961,735	13,984,578	9,075,160	558,203	36,579,676	8 —
6,135,636	10,794,523	905,994	36,000,451	12,961,735	13,848,421	8,601,335	588,960	36,000,451	15 —
6,843,002	10,074,026	920,016	36,003,260	12,961,735	13,012,824	9,506,025	522,676	36,003,260	22 —
7,142,212	9,161,868	885,680	35,297,130	12,961,735	12,395,457	9,449,760	490,178	35,297,130	29 —
7,318,919	8,557,109	935,830	35,229,337	12,961,735	12,523,550	9,231,095	512,957	35,229,337	5 September.
8,198,800	8,095,203	903,872	35,618,664	12,961,360	12,321,816	9,846,600	488,888	35,618,664	12 —
8,765,570	8,316,924	869,247	36,378,232	12,961,360	13,049,001	9,817,195	550,676	36,378,232	19 —
9,755,977	8,260,779	905,955	37,354,699	12,961,360	14,036,157	9,788,685	568,497	37,354,699	26 —
9,776,195	8,167,143	930,793	37,314,116	12,961,360	15,086,775	8,809,150	456,831	37,314,116	3 October.
9,801,402	8,322,626	938,723	36,998,909	12,961,360	15,227,665	8,305,785	504,099	36,998,909	10 —
5,356,260	9,084,274	982,438	33,408,331	12,808,119	12,788,939	7,409,870	401,403	33,408,331	17 —
4,870,737	8,755,441	1,026,996	32,641,845	18,808,119	12,219,710	7,157,355	456,661	32,641,845	24 —
4,622,177	8,761,736	1,016,015	32,416,391	12,808,119	12,175,968	6,934,120	498,184	32,416,391	31 —
5,428,783	8,281,624	1,018,610	32,750,369	12,808,119	12,153,009	7,264,620	524,621	32,750,369	7 November.
6,777,777	7,995,422	972,112	33,772,817	12,808,119	12,525,905	7,836,335	602,458	33,772,817	14 —
7,876,390	7,975,058	990,484	34,877,621	12,808,119	13,353,675	8,109,895	605,932	34,877,621	21 —
8,447,560	8,018,391	892,355	35,391,273	12,808,119	13,562,822	8,325,745	694,587	35,391,273	28 —
8,612,488	8,303,523	895,483	35,796,697	12,807,417	13,853,212	8,402,300	733,768	35,796,697	5 December.
9,185,471	7,991,126	886,995	36,053,970	12,807,417	13,879,960	8,623,815	742,778	36,053,970	12 —
9,847,743	7,615,703	868,439	36,325,769	12,807,417	13,904,284	8,864,445	749,623	36,325,769	19 —
10,341,314	7,696,172	882,528	36,920,420	12,827,179	14,654,905	8,813,675	624,661	36,920,420	26 —
									1847:
9,990,624	7,903,959	901,139	36,818,579	12,826,362	15,071,820	8,227,085	693,312	36,818,579	2 January.
5,860,631	9,784,767	975,005	34,693,451	12,757,326	14,464,948	6,715,255	755,922	34,693,451	9 —
5,034,189	10,339,726	998,950	34,477,348	12,757,326	14,450,711	6,545,965	723,346	34,477,348	16 —
4,668,489	10,355,835	952,784	34,090,773	12,757,326	14,489,657	6,167,170	676,620	34,090,773	23 —
4,462,872	9,659,940	941,481	33,261,034	12,722,619	14,106,072	5,703,555	728,788	33,261,034	30 —

AN ACCOUNT of the Notes, Securities, Bullion, &c., of the Bank of *England*, as published Weekly in the "Gazette," since the

ISSUE DEPARTMENT.

Weeks ending	Notes Issued.	TOTAL.	Government Debt.	Other Securities.	Gold Coin and Bullion.	Silver Bullion.	TOTAL.	Proprietors' Capital.	Rest.
1847—*cont*^{d}.	£.	£.	£.	£.	£.	£.	£.	£.	£.
February 6	25,504,325	25,504,325	11,015,100	2,984,900	9,963,744	1,540,581	25,504,325	14,553,000	3,650,686
— 13	25,471,265	25,471,265	"	"	9,930,684	1,540,581	25,471,265	"	3,671,409
— 20	25,458,465	25,458,465	"	"	9,922,816	1,535,649	25,458,465	"	3,663,132
— 27	25,349,820	25,349,820	"	"	9,801,428	1,548,392	25,349,820	"	3,899,220
March 6	24,993,885	24,993,885	"	"	9,445,493	1,548,392	24,993,885	"	3,951,922
— 13	24,786,340	24,786,340	"	"	9,237,948	1,548,392	24,786,340	"	3,962,288
— 20	24,487,935	24,487,935	"	"	8,963,970	1,523,965	24,487,935	"	3,971,704
— 27	24,320,340	24,320,340	"	"	8,820,737	1,499,603	24,320,340	"	3,978,633
April 3	23,554,640	23,554,640	"	"	8,066,355	1,488,285	23,554,640	"	3,991,333
— 10	23,236,340	23,236,340	"	"	7,795,644	1,440,696	23,236,340	"	3,391,768
— 17	22,801,100	22,801,100	"	"	7,365,424	1,435,676	22,801,100	"	3,397,077
— 24	22,549,140	22,549,140	"	"	7,120,006	1,429,134	22,549,140	"	3,400,789
May 1	22,506,585	22,506,585	"	"	7,083,767	1,422,818	22,506,585	"	3,412,713
— 8	22,788,855	22,788,855	"	"	7,307,616	1,481,239	22,788,855	"	3,449,164
— 15	22,967,540	22,967,540	"	"	7,486,301	1,481,239	22,967,540	"	3,459,352
— 22	23,200,775	23,200,775	"	"	7,716,658	1,484,117	23,200,775	"	3,472,569
— 29	23,290,420	23,290,420	"	"	7,806,303	1,484,117	23,290,420	"	3,472,368
June 5	23,434,365	23,434,365	"	"	7,985,365	1,449,000	23,434,365	"	3,427,263
— 12	23,592,925	23,592,925	"	"	8,143,925	1,449,000	23,592,925	"	3,441,466
— 19	23,632,575	23,632,575	"	"	8,183,575	1,449,000	23,632,575	"	3,454,025
— 26	23,676,545	23,676,545	"	"	8,227,545	1,449,000	23,676,545	"	3,463,990
July 3	23,562,330	23,562,330	"	"	8,113,330	1,449,000	23,562,330	"	3,489,468
— 10	23,304,805	23,304,805	"	"	7,905,963	1,398,842	23,304,805	"	3,551,551
— 17	23,232,875	23,232,875	"	"	7,842,021	1,390,854	23,232,875	"	3,587,543
— 24	23,119,150	23,119,150	"	"	7,790,384	1,328,766	23,119,150	"	3,596,877
— 31	22,666,925	22,666,925	"	"	7,583,022	1,083,903	22,666,925	"	3,607,370
August 7	22,634,645	22,634,645	"	"	7,563,502	1,071,143	22,634,645	"	3,703,895
— 14	22,648,450	22,648,450	"	"	7,577,307	1,071,143	22,648,450	"	3,717,357
— 21	22,614,940	22,614,940	"	"	7,545,734	1,069,206	22,614,940	"	3,734,352
— 28	22,565,900	22,565,900	"	"	7,506,399	1,059,501	22,565,900	"	3,684,203
September 4	22,396,845	22,396,845	"	"	7,373,815	1,023,030	22,396,845	"	3,986,593
— 11	22,307,140	22,307,140	"	"	7,284,110	1,023,030	22,307,140	"	4,000,004
— 18	22,205,405	22,205,405	"	"	7,182,375	1,023,030	22,205,405	"	4,020,878
— 25	22,190,875	22,190,875	"	"	7,185,845	1,005,030	22,190,875	"	4,043,012
October 2	22,121,695	22,121,695	"	"	7,116,665	1,005,030	22,121,695	"	4,065,474
— 9	21,961,585	21,961,585	"	"	6,935,349	1,026,236	21,961,585	"	4,087,552
— 16	21,989,600	21,989,600	"	"	6,899,485	1,090,115	21,989,600	"	3,495,432
— 23	21,865,445	21,865,445	"	"	6,745,354	1,120,091	21,865,445	"	3,514,435
— 30	22,009,490	22,009,490	"	"	6,864,511	1,144,979	22,009,490	"	3,537,819
November 6	22,426,530	22,426,530	"	"	7,247,959	1,178,571	22,426,530	"	3,581,247
— 13	22,848,375	22,848,375	"	"	7,647,707	1,200,668	22,848,375	"	3,610,979
— 20	23,525,845	23,525,845	"	"	8,315,633	1,210,212	23,525,845	"	3,623,323
— 27	23,956,165	23,956,165	"	"	8,745,732	1,210,433	23,956,165	"	3,629,567
December 4	24,366,085	24,366,085	"	"	9,111,038	1,255,047	24,366,085	"	3,587,004
— 11	24,769,685	24,769,685	"	"	9,450,007	1,319,678	24,769,685	"	3,601,390
— 18	25,309,395	25,309,395	"	"	9,971,049	1,338,346	25,309,395	"	3,609,416
— 25	25,609,075	25,609,075	"	"	10,262,731	1,346,344	25,609,075	"	3,618,579

Stamps and Taxes,
3 January 1848.

passing of the Act 7 & 8 Vict., c. 32, from 31 August 1844 down to the latest Period to which the same can be made up—*continued.*

BANKING DEPARTMENT.

Public Deposits.	Other Deposits.	Seven-Day and other Bills.	TOTAL.	Government Securities.	Other Securities.	Notes.	Gold and Silver Coin.	TOTAL.	Weeks ending
£.	£.	£.	£.	£.	£.	£.	£.	£.	1847—*contd.*
4,668,238	9,182,765	952,689	33,007,378	12,313,175	14,019,936	5,890,855	783,412	33,007,378	6 February.
5,298,594	9,329,852	895,562	33,748,417	12,101,987	15,071,256	5,747,330	827,844	33,748,417	13 —
5,869,523	8,837,093	839,491	33,762,239	11,990,079	15,039,339	5,976,525	756,296	33,762,239	20 —
5,928,487	9,321,695	818,634	34,521,036	11,990,079	15,819,148	6,016,695	695,114	34,521,036	27 —
6,571,731	9,288,661	846,860	35,212,174	11,990,079	16,905,705	5,714,740	601,650	35,212,174	6 March.
6,716,162	9,536,137	798,465	35,566,052	11,990,079	17,358,712	5,554,140	663,121	35,566,052	13 —
6,471,623	9,962,436	844,630	35,803,393	11,990,079	17,650,874	5,418,745	743,695	35,803,393	20 —
6,616,287	9,403,132	834,640	35,385,692	11,990,079	17,824,355	4,876,015	695,243	35,385,692	27 —
6,001,947	9,502,091	960,294	35,008,665	11,990,079	18,627,116	3,699,700	691,770	35,008,665	3 April.
4,984,375	11,257,744	987,562	35,174,449	13,574,444	18,136,377	2,832,915	630,713	35,174,449	10 —
3,011,032	10,004,699	910,068	31,875,876	11,677,819	17,111,001	2,558,315	528,741	31,875,876	17 —
2,634,518	9,125,409	866,975	30,580,691	11,117,319	16,079,627	2,718,995	664,750	30,580,691	24 —
2,299,154	9,312,048	835,291	30,412,206	10,727,319	16,112,676	2,741,080	831,131	30,412,206	1 May.
2,870,109	8,930,328	813,760	30,616,361	10,308,141	16,311,781	3,196,535	799,904	30,616,361	8 —
4,319,786	8,751,171	824,017	31,907,326	10,549,108	16,662,435	3,793,330	902,453	31,907,326	15 —
6,141,624	8,288,689	797,903	33,253,785	11,503,858	16,581,674	4,420,395	747,858	33,253,785	22 —
6,977,853	8,431,900	766,451	34,201,572	11,652,305	17,041,936	4,628,030	879,301	34,201,572	29 —
7,772,708	8,150,646	785,918	34,689,535	11,713,101	17,085,495	5,088,705	802,234	34,689,535	5 June.
8,693,619	8,228,131	791,525	35,707,741	11,713,101	17,853,469	5,375,245	765,926	35,707,741	12 —
9,258,290	8,160,461	773,870	36,199,646	11,703,258	17,947,411	5,664,955	879,022	36,199,646	19 —
9,796,647	7,920,706	764,036	36,498,379	11,707,217	18,315,772	5,625,530	849,860	36,498,379	26 —
9,738,622	7,968,314	807,586	36,556,990	11,806,386	18,758,130	5,158,230	834,244	36,556,990	3 July.
5,245,017	9,305,323	841,386	33,496,277	11,636,340	16,747,037	4,331,330	781,570	33,496,277	10 —
4,559,853	8,640,327	832,755	32,173,478	11,636,340	15,782,558	4,068,605	685,975	32,173,478	17 —
4,503,516	8,326,425	849,640	31,829,458	11,636,340	15,325,476	4,216,445	651,197	31,829,458	24 —
4,503,809	8,316,271	819,019	31,799,469	11,636,340	15,724,129	3,774,675	664,325	31,799,469	31 —
5,570,606	7,885,897	816,477	32,529,875	11,663,280	16,302,175	3,946,245	618,175	32,529,875	7 August.
6,358,298	7,513,891	805,825	32,948,371	11,636,340	16,681,409	3,992,245	638,377	32,948,371	14 —
6,830,836	6,931,036	816,159	32,865,383	11,636,340	16,116,345	4,488,020	624,678	32,865,383	21 —
7,193,740	7,105,701	789,710	33,326,354	11,711,340	16,711,187	4,330,045	573,782	33,326,354	28 —
7,722,704	6,791,373	842,711	33,896,331	11,636,340	17,508,119	4,189,830	562,092	33,896,381	4 September.
8,165,782	6,980,993	814,452	34,514,231	11,636,340	17,803,384	4,466,575	607,932	34,514,231	11 —
8,749,178	7,185,073	816,722	35,324,851	11,636,340	18,740,486	4,272,940	675,085	35,324,851	18 —
9,447,851	7,484,042	819,785	36,347,690	11,636,340	20,007,232	4,112,290	591,828	36,347,690	25 —
9,329,057	7,961,767	864,883	36,774,181	11,661,340	21,259,929	3,409,300	443,612	36,774,181	2 October.
9,414,713	7,713,896	863,487	36,632,648	11,426,340	21,437,443	3,321,700	447,165	36,632,648	9 —
5,496,883	8,674,584	903,519	33,123,418	11,088,877	18,963,326	2,630,115	441,100	33,123,418	16 —
4,766,394	8,580,509	947,013	32,361,351	10,899,707	19,467,128	1,547,270	447,246	32,361,351	23 —
4,696,032	8,911,442	931,335	32,629,628	10,613,607	20,409,897	1,176,740	429,384	32,629,628	30 —
4,991,313	8,804,395	921,673	32,851,628	10,598,607	19,919,915	2,030,085	303,021	32,851,628	6 November.
5,991,765	8,312,171	884,015	33,351,930	10,583,607	19,560,468	2,797,710	410,145	33,351,930	13 —
7,219,802	7,866,482	881,324	34,143,931	10,633,607	18,791,117	4,228,095	491,112	34,143,931	20 —
7,729,572	8,238,554	891,079	35,041,772	10,946,594	18,531,810	4,986,590	576,778	35,041,772	27 —
7,799,527	8,441,289	885,717	35,266,537	10,946,594	18,070,409	5,583,020	666,514	35,266,537	4 December.
8,229,759	8,437,376	861,271	35,682,796	10,946,594	17,630,931	6,448,780	656,491	35,682,796	11 —
8,763,497	8,606,976	856,784	36,389,673	10,998,214	17,158,338	7,551,140	681,981	36,389,673	18 —
9,235,978	8,243,203	807,198	36,457,958	11,065,267	16,979,060	7,786,180	627,451	36,457,958	25 —

P. Deans,
Registrar of Bank Returns.

AN ACCOUNT of Notes, Securities, Bullion, &c., of the Bank of *England*, as published Weekly
Report from the Select Committee

Weeks ending	ISSUE DEPARTMENT.								
	Notes Issued.	TOTAL.	Government Debt.	Other Securities.	Gold Coin and Bullion.	Silver Bullion.	TOTAL.	Proprietors' Capital.	Rest.
1848:	£.	£.	£.	£.	£.	£.	£.	£.	£.
1 January	25,790,820	25,790,820	11,015,100	2,984,900	10,443,761	1,347,059	25,790,820	14,553,000	3,639,863
8 —	25,876,770	25,876,770	11,015,100	2,984,900	10,476,623	1,400,147	25,876,770	14,553,000	3,684,629
15 —	26,247,000	26,247,000	11,015,100	2,984,900	10,823,312	1,423,688	26,247,000	14,553,000	3,720,447
22 —	26,559,265	26,559,265	11,015,100	2,984,900	11,122,376	1,436,889	26,559,265	14,553,000	3,726,364
29 —	26,782,235	26,782,235	11,015,100	2,984,900	11,339,220	1,443,015	26,782,235	14,553,000	3,726,950
5 February	27,210,880	27,210,880	11,015,100	2,984,900	11,767,865	1,443,015	27,210,880	14,553,000	3,803,998
12 —	27,582,895	27,582,895	11,015,100	2,984,900	12,139,880	1,443,015	27,582,895	14,553,000	3,805,025
19 —	27,890,705	27,890,705	11,015,100	2,984,900	12,447,690	1,443,015	27,890,705	14,553,000	3,798,398
26 —	28,101,940	28,101,940	11,015,100	2,984,900	12,658,612	1,443,328	28,101,940	14,553,000	3,739,389
4 March	28,205,830	28,205,830	11,015,100	2,984,900	12,762,502	1,443,328	28,205,830	14,553,000	3,980,840
11 —	28,235,615	28,235,615	11,015,100	2,984,900	12,792,287	1,443,328	28,235,615	14,553,000	3,984,871
18 —	28,414,360	28,414,360	11,015,100	2,984,900	12,889,560	1,524,800	28,414,360	14,553,000	3,991,550
25 —	28,556,320	28,556,320	11,015,100	2,984,900	12,738,430	1,817,890	28,556,320	14,553,000	3,995,884
1 April	28,542,735	28,542,735	11,015,100	2,984,900	12,648,784	1,893,951	28,542,735	14,553,000	4,001,345
8 —	28,008,385	28,008,385	11,015,100	2,984,900	12,089,798	1,918,587	28,008,385	14,553,000	3,396,002
15 —	27,165,470	27,165,470	11,015,100	2,984,900	11,231,101	1,934,369	27,165,470	14,553,000	3,400,552
22 —	26,621,920	26,621,920	11,015,100	2,984,900	10,750,852	1,871,068	26,621,920	14,553,000	3,405,092
29 —	26,261,825	26,261,825	11,015,100	2,984,900	10,556,203	1,705,622	26,261,825	14,553,000	3,408,200
6 May	26,176,255	26,176,255	11,015,100	2,984,900	10,612,421	1,563,834	26,176,255	14,553,000	3,435,766
13 —	26,364,090	26,364,090	11,015,100	2,984,900	10,921,699	1,442,391	26,364,090	14,553,000	3,438,576
20 —	26,661,410	26,661,410	11,015,100	2,984,900	11,208,757	1,452,653	26,661,410	14,553,000	3,442,078
27 —	26,743,610	26,743,610	11,015,100	2,984,900	11,338,612	1,404,998	26,743,610	14,553,000	3,391,979
3 June	26,860,060	26,860,060	11,015,100	2,984,900	11,455,062	1,404,998	26,860,060	14,553,000	3,385,158
10 —	27,132,275	27,132,275	11,015,100	2,984,900	11,727,277	1,404,998	27,132,275	14,553,000	3,391,239
17 —	27,352,845	27,352,845	11,015,100	2,984,900	11,947,847	1,404,998	27,352,845	14,553,000	3,396,949
24 —	27,536,565	27,536,565	11,015,100	2,984,900	12,131,567	1,404,998	27,536,565	14,553,000	3,400,930
1 July	27,646,055	27,646,055	11,015,100	2,984,900	12,238,057	1,407,998	27,646,055	14,553,000	3,414,255
8 —	27,673,050	27,673,050	11,015,100	2,984,900	12,244,552	1,428,498	27,673,050	14,553,000	3,470,610
15 —	27,593,690	27,593,690	11,015,100	2,984,900	12,184,014	1,409,676	27,593,690	14,553,000	3,492,114
22 —	27,451,560	27,451,560	11,015,100	2,984,900	12,123,761	1,327,799	27,451,560	14,553,000	3,498,611
29 —	27,063,340	27,063,340	11,015,100	2,984,900	11,918,073	1,145,267	27,063,340	14,553,000	3,506,556
5 August	26,690,315	26,690,315	11,015,100	2,984,900	11,670,223	1,020,092	26,690,315	14,553,000	3,599,152
12 —	26,693,925	26,693,925	11,015,100	2,984,900	11,756,604	937,321	26,693,925	14,553,000	3,605,442
19 —	26,763,645	26,763,645	11,015,100	2,984,900	11,873,485	890,160	26,763,645	14,553,000	3,608,790
26 —	26,853,120	26,853,120	11,015,100	2,984,900	12,077,973	775,147	26,853,120	14,553,000	3,556,686
2 September	26,883,505	26,883,505	11,015,100	2,984,900	12,177,567	705,938	26,883,505	14,553,000	3,826,382
9 —	26,958,875	26,958,875	11,015,100	2,984,900	12,402,140	556,735	26,958,875	14,553,000	3,828,667
16 —	27,198,740	27,198,740	11,015,100	2,984,900	12,663,837	534,903	27,198,740	14,553,000	3,831,710
23 —	27,237,435	27,237,435	11,015,100	2,984,900	12,727,526	509,909	27,237,435	14,553,000	3,834,727
30 —	27,120,705	27,120,705	11,015,100	2,984,900	12,610,796	509,909	27,120,705	14,553,000	3,837,472
7 October	26,823,635	26,823,635	11,015,100	2,984,900	12,313,726	509,909	26,823,635	14,553,000	3,846,485
14 —	26,739,165	26,739,165	11,015,100	2,984,900	12,229,256	509,909	26,739,165	14,553,000	3,382,646
21 —	26,592,550	26,592,550	11,015,100	2,984,900	12,082,641	509,909	26,592,550	14,553,000	3,386,565
28 —	26,608,155	26,680,155	11,015,100	2,984,900	12,100,246	507,909	26,608,155	14,553,000	3,387,862
4 November	26,796,660	26,796,660	11,015,100	2,984,900	12,288,751	507,909	26,796,660	14,553,000	3,415,516
11 —	26,961,205	26,961,205	11,015,100	2,984,900	12,453,296	507,909	26,961,205	14,553,000	3,418,745
18 —	27,198,835	27,198,835	11,015,100	2,984,900	12,690,926	507,909	27,198,835	14,553,000	3,421,579
25 —	27,386,555	27,386,555	11,015,100	2,984,900	12,878,646	507,909	27,386,555	14,553,000	3,418,070
2 December	27,415,840	27,415,840	11,015,100	2,984,900	12,907,931	507,909	27,415,840	14,553,000	3,366,147
9 —	27,733,735	27,733,735	11,015,100	2,984,900	13,225,826	507,909	27,733,735	14,553,000	3,374,251
16 —	27,982,125	27,982,125	11,015,100	2,984,900	13,474,216	507,909	27,982,125	14,553,000	3,376,688
23 —	28,184,795	28,184,795	11,015,100	2,984,900	13,676,886	507,909	28,184,795	14,553,000	3,380,302
30 —	28,226,595	28,226,595	11,015,100	2,984,900	13,718,686	507,909	28,226,595	14,553,000	3,382,800

in the "Gazette," according to the Act 7 & 8 Vict., c. 32 (in continuation of Appendix, No. 5, to the on Commercial Distress, 1848).

BANKING DEPARTMENT.									
Public Deposits.	Other Deposits.	Seven Day and Other Bills.	TOTAL.	Government Securities.	Other Securities.	Notes.	Gold and Silver Coin.	TOTAL.	Weeks ending
£.	£.	£.	£.	£.	£.	£.	£.	£.	1848 :
9,011,568	8,523,108	805,364	36,532,903	11,064,422	16,989,221	7,865,330	613,430	36,532,903	1 January.
5,414,008	10,858,286	846,364	35,356,287	10,993,353	16,345,958	7,315,385	701,591	35,356,287	8 —
4,334,680	10,676,188	902,976	34,187,291	11,203,353	15,254,936	7,152,400	576,602	34,187,291	15 —
4,082,448	10,774,870	903,278	34,039,960	11,464,665	14,510,363	7,447,385	617,547	34,039,960	22 —
4,171,203	10,768,087	904,973	34,124,213	11,553,914	14,321,905	7,640,315	608,079	34,124,213	29 —
4,574,063	10,299,027	898,217	34,128,305	11,553,914	13,888,592	8,074,925	610,874	34,128,305	5 February.
5,382,795	9,961,845	901,890	34,604,555	11,574,921	13,343,570	9,064,235	621,829	34,604,555	12 —
6,032,033	9,797,938	866,898	35,048,267	11,574,921	12,988,392	9,806,010	678,944	35,048,267	19 —
6,417,011	9,550,889	828,933	35,089,222	11,574,921	12,933,241	9,922,185	658,875	35,089,222	26 —
6,574,785	9,249,804	830,260	35,188,689	11,574,921	13,115,456	9,830,215	668,097	35,188,689	4 March.
6,883,063	9,525,211	839,622	35,785,767	11,574,921	12,954,702	10,544,595	711,549	35,785,767	11 —
6,957,392	9,773,110	869,742	36,144,794	11,572,180	12,896,563	10,967,270	708,781	36,144,794	18 —
7,452,556	9,353,628	904,354	36,259,422	11,688,041	12,857,662	10,953,245	760,474	36,259,422	25 —
7,140,125	9,580,384	926,002	36,200,856	11,721,566	12,936,289	10,874,870	668,131	36,200,856	1 April.
4,586,084	11,961,862	1,007,866	35,504,814	12,682,866	12,460,152	9,767,750	594,046	35,504,814	8 —
3,120,901	11,950,962	1,025,762	34,051,177	12,733,630	12,149,833	8,568,930	598,784	34,051,177	15 —
2,321,338	11,435,742	1,021,500	32,736,672	12,268,630	12,001,566	7,860,055	606,421	32,736,672	22 —
2,283,391	11,049,918	1,080,591	32,375,100	12,034,028	12,065,481	7,658,750	616,841	32,375,100	29 —
2,436,781	10,250,972	1,077,381	31,753,900	11,713,630	11,835,962	7,554,455	649,853	31,753,900	6 May.
3,442,607	9,756,433	1,101,270	32,291,886	11,713,630	11,815,920	8,036,820	725,516	32,291,886	13 —
4,417,182	9,189,604	1,026,108	32,627,972	11,713,630	11,630,523	8,566,010	717,809	32,627,972	20 —
4,866,035	9,135,479	1,032,232	32,978,725	11,751,215	11,524,726	8,931,655	771,129	32,978,725	27 —
5,217,473	9,082,672	1,038,176	33,276,479	11,970,082	11,488,596	9,080,655	737,146	33,276,479	3 June.
5,653,823	9,056,342	1,054,470	33,708,874	12,097,257	11,398,651	9,505,315	707,651	33,708,874	10 —
5,911,694	9,157,381	1,010,949	34,029,973	12,089,172	11,148,869	9,975,350	816,582	34,029,973	17 —
6,600,957	8,853,600	1,010,888	34,419,375	12,411,301	11,229,195	10,007,630	771,249	34,419,375	24 —
6,603,239	9,019,944	1,035,774	34,626,212	12,522,645	11,266,399	10,064,970	772,198	34,626,212	1 July.
4,113,250	14,580,598	1,137,663	34,855,101	13,602,546	11,255,427	9,312,185	684,943	34,855,101	8 —
2,621,157	11,709,054	1,150,477	33,525,802	13,207,546	11,200,140	8,448,630	669,486	33,525,802	15 —
2,410,857	11,376,888	1,127,125	32,966,481	12,807,546	11,090,948	8,410,840	657,147	32,966,481	22 —
2,303,143	10,835,797	1,117,335	32,315,831	12,522,735	11,027,342	8,118,990	646,764	32,315,831	29 —
2,888,368	9,968,628	1,109,914	32,119,062	12,462,735	10,951,788	7,998,200	706,339	32,119,062	5 August.
3,832,141	9,440,513	1,088,024	32,519,120	12,462,735	10,857,119	8,528,200	671,066	32,519,120	12 —
4,545,098	8,575,809	1,101,209	32,383,906	12,462,735	10,862,959	8,450,310	607,902	32,383,906	19 —
4,868,374	8,715,882	1,052,576	32,746,518	12,462,735	10,899,000	8,734,240	650,543	32,746,518	26 —
5,021,591	8,824,607	1,016,921	33,242,501	12,462,735	11,368,814	8,784,795	626,157	33,242,501	2 September.
5,460,328	8,771,338	991,858	33,605,191	12,462,735	11,320,639	9,114,210	707,607	33,605,191	9 —
6,196,421	8,730,767	991,401	34,303,299	12,675,613	11,492,375	9,511,370	623,941	34,303,299	16 —
6,799,283	8,691,777	982,147	34,860,934	12,776,046	11,530,812	9,926,430	627,646	34,860,934	23 —
7,008,836	8,146,311	1,020,623	34,566,242	12,862,296	11,574,473	9,571,685	557,788	34,566,242	30 —
6,962,466	8,053,104	1,028,171	34,443,226	12,862,296	11,639,164	9,348,160	593,606	34,443,226	7 October.
4,297,385	10,674,983	1,064,707	33,972,721	13,845,012	11,202,250	8,405,405	520,054	33,972,721	14 —
3,162,909	10,660,880	1,086,886	32,850,240	13,400,019	10,847,210	8,032,585	570,426	32,850,240	21 —
2,619,440	10,921,192	1,040,754	32,522,248	12,950,012	10,889,084	8,018,165	664,987	32,522,248	28 —
2,615,627	10,795,395	1,048,503	32,428,041	12,769,012	10,805,561	8,242,575	610,893	32,428,041	4 November.
4,038,270	10,648,047	1,041,621	33,699,683	13,329,012	10,758,237	8,894,875	717,559	33,699,683	11 —
5,149,495	10,014,544	1,036,211	34,174,829	13,329,012	10,769,002	9,355,690	721,125	34,174,829	18 —
5,992,492	9,932,650	1,056,645	34,952,857	13,459,012	10,754,444	9,986,110	753,291	34,952,857	25 —
6,210,515	9,815,127	1,036,619	34,981,408	13,329,012	10,712,882	10,088,095	851,419	34,981,408	2 December.
7,061,202	9,567,966	1,002,726	35,559,145	13,329,012	10,668,558	10,771,720	789,855	35,559,145	9 —
7,908,643	9,249,649	964,806	36,052,786	13,329,012	10,669,617	11,246,410	807,747	36,052,786	16 —
8,572,063	8,951,073	967,455	36,423,893	13,484,162	10,814,515	11,309,335	815,881	36,423,893	23 —
8,598,118	8,871,435	972,112	36,377,465	13,594,518	10,957,933	11,096,960	728,054	36,377,465	30 —

An Account of Notes, Securities, Bullion, &c., of the Bank of *England*, as published Weekly in the "Gazette," according to the Act

Weeks ending	ISSUE DEPARTMENT.								
	Notes Issued.	TOTAL.	Government Debt.	Other Securities.	Gold Coin and Bullion.	Silver Bullion.	TOTAL.	Proprietors' Capital.	Rest.
1849:	£.	£.	£.	£.	£.	£.	£.	£.	£.
6 January	28,234,740	28,234,740	11,015,100	2,984,900	13,726,831	507,909	28,234,740	14,553,000	3,400,715
13 —	28,198,250	28,198,250	11,015,100	2,984,900	13,696,178	502,072	28,198,250	14,553,000	3,458,161
20 —	28,270,375	28,270,375	11,015,100	2,984,900	13,768,303	502,072	28,270,375	14,553,000	3,481,432
27 —	28,315,870	28,315,870	11,015,100	2,984,900	13,813,798	502,072	28,315,870	14,553,000	3,488,107
3 February	28,330,845	28,330,845	11,015,100	2,984,900	13,828,773	502,072	28,330,845	14,553,000	3,576,625
10 —	28,447,280	28,447,280	11,015,100	2,984,900	13,945,208	502,072	28,447,280	14,553,000	3,578,862
17 —	28,595,795	28,595,795	11,015,100	2,984,900	14,093,723	502,072	28,595,795	14,553,000	3,580,487
24 —	28,405,385	28,405,385	11,015,100	2,984,900	13,993,308	412,077	28,405,385	14,553,000	3,514,565
3 March	28,314,555	28,314,555	11,015,100	2,984,900	13,966,124	348,431	28,314,555	14,553,000	3,855,368
10 —	28,548,245	28,548,245	11,015,100	2,984,900	14,224,676	323,569	28,548,245	14,553,000	3,858,509
17 —	28,551,920	28,551,920	11,015,100	2,984,900	14,228,351	323,569	28,551,920	14,553,000	3,861,099
24 —	28,582,185	28,582,185	11,015,100	2,984,900	14,258,616	323,569	28,582,185	14,553,000	3,863,344
31 —	28,407,105	28,407,105	11,015,100	2,984,900	14,083,536	323,569	28,407,105	14,553,000	3,866,087
7 April	28,019,480	28,019,480	11,015,100	2,984,900	13,695,911	323,569	28,019,480	14,553,000	3,079,859
14 —	27,928,400	27,928,400	11,015,100	2,984,900	13,604,831	323,569	27,928,400	14,553,000	3,122,152
21 —	27,769,625	27,769,625	11,015,100	2,984,900	13,446,056	323,569	27,769,625	14,553,000	3,124,487
28 —	27,602,285	27,602,285	11,015,100	2,984,900	13,278,716	323,569	27,602,285	14,553,000	3,127,170
5 May	27,495,105	27,495,105	11,015,100	2,984,900	13,171,536	323,569	27,495,105	14,553,000	3,152,609
12 —	27,460,625	27,460,625	11,015,100	2,984,900	13,137,056	323,569	27,460,625	14,553,000	3,156,032
19 —	27,517,705	27,517,705	11,015,100	2,984,900	13,194,136	323,569	27,517,705	14,553,000	3,157,400
26 —	27,500,135	27,500,135	11,015,100	2,984,900	13,176,566	323,569	27,500,135	14,553,000	3,151,602
2 June	27,553,565	27,553,565	11,015,100	2,984,900	13,231,396	322,169	27,553,565	14,553,000	3,103,586
9 —	27,770,200	27,770,200	11,015,100	2,984,900	13,448,731	321,469	27,770,200	14,553,000	3,103,541
16 —	28,065,695	28,065,695	11,015,100	2,984,900	13,744,226	321,469	28,065,695	14,553,000	3,109,892
23 —	28,304,655	28,304,655	11,015,100	2,984,900	14,015,986	288,669	28,304,655	14,553,000	3,111,441
30 —	28,300,735	28,300,735	11,015,100	2,984,900	14,024,166	276,569	28,300,735	14,553,000	3,113,473
7 July	28,072,895	28,072,895	11,015,100	2,984,900	13,796,826	276,569	28,072,895	14,553,000	3,133,090
14 —	27,926,690	27,926,690	11,015,100	2,984,900	13,650,121	276,569	27,926,690	14,553,000	3,212,670
21 —	27,834,475	27,834,475	11,015,100	2,984,900	13,557,906	276,569	27,834,475	14,553,000	3,215,652
28 —	27,746,380	27,746,380	11,015,100	2,984,900	13,469,811	276,569	27,746,380	14,553,000	3,220,858
4 August	27,495,805	27,495,805	11,015,100	2,984,900	13,219,236	276,569	27,495,805	14,553,000	3,310,847
11 —	27,648,875	27,648,875	11,015,100	2,984,900	13,372,306	276,569	27,648,875	14,553,000	3,312,300
18 —	27,636,770	27,636,770	11,015,100	2,984,900	13,360,201	276,569	27,636,770	14,553,000	3,309,469
25 —	27,790,130	27,790,130	11,015,100	2,984,900	13,513,561	276,569	27,790,130	14,553,000	3,289,552
1 September	27,919,050	27,919,050	11,015,100	2,984,900	13,641,973	277,077	27,919,050	14,553,000	3,574,361
8 —	27,908,230	27,908,230	11,015,100	2,984,900	13,631,153	277,077	27,908,230	14,553,000	3,575,909
15 —	27,910,900	27,910,900	11,015,100	2,984,900	13,633,823	277,077	27,910,900	14,553,000	3,578,609
22 —	28,246,500	28,246,500	11,015,100	2,984,900	13,839,423	407,077	28,246,500	14,553,000	3,580,516
29 —	28,292,200	28,292,200	11,015,100	2,984,900	13,835,123	457,077	28,292,200	14,553,000	3,583,647
6 October	28,268,310	28,268,310	11,015,100	2,984,900	13,861,233	407,077	28,268,310	14,553,000	3,590,638
13 —	28,149,605	28,149,605	11,015,100	2,984,900	13,755,528	394,077	28,149,605	14,553,000	3,127,964
20 —	28,252,330	28,252,330	11,015,100	2,984,900	13,975,253	277,077	28,252,330	14,553,000	3,130,540
27 —	28,470,565	28,470,565	11,015,100	2,984,900	14,193,488	277,077	28,470,565	14,553,000	3,132,780
3 November	28,605,600	28,605,600	11,015,100	2,984,900	14,303,523	302,077	28,605,600	14,553,000	3,158,720
10 —	28,818,070	28,818,070	11,015,100	2,984,900	14,535,993	282,077	28,818,070	14,553,000	3,161,032
17 —	29,209,295	29,209,295	11,015,100	2,984,900	14,932,218	277,077	29,209,295	14,553,000	3,162,595
24 —	29,570,425	29,570,425	11,015,100	2,984,900	15,293,348	277,077	29,570,425	14,553,000	3,163,297
1 December	29,720,195	29,720,195	11,015,100	2,984,900	15,443,118	277,077	29,720,195	14,553,000	3,106,623
8 —	29,983,955	29,983,955	11,015,100	2,984,900	15,706,878	277,077	29,983,955	14,553,000	3,108,687
15 —	30,137,460	30,137,460	11,015,100	2,984,900	15,860,383	277,077	30,137,460	14,553,000	3,111,592
22 —	30,284,630	30,284,630	11,015,100	2,984,900	16,007,553	277,077	30,284,630	14,553,000	3,114,159
29 —	30,238,310	30,238,310	11,015,100	2,984,900	15,961,233	277,077	30,238,310	14,553,000	3,119,800
1850:									
5 January	30,267,475	30,267,475	11,015,100	2,984,900	15,990,398	277,077	30,267,475	14,553,000	3,135,837
12 —	30,075,685	30,075,685	11,015,100	2,984,900	15,798,608	277,077	30,075,685	14,553,000	3,198,821
19 —	30,063,965	30,063,965	11,015,100	2,984,900	15,786,888	277,077	30,063,965	14,553,000	3,223,605
26 —	30,060,500	30,060,500	11,015,100	2,984,900	15,783,423	277,077	30,060,500	14,553,000	3,229,097
2 February	30,104,810	30,104,810	11,015,100	2,984,900	15,827,733	277,077	30,104,810	14,553,000	3,232,594
9 —	30,125,385	30,125,385	11,015,100	2,984,900	15,848,308	277,077	30,125,385	14,553,000	3,317,603
16 —	30,340,035	30,340,035	11,015,100	2,984,900	16,062,958	277,077	30,340,035	14,553,000	3,317,661
23 —	30,326,155	30,326,155	11,015,100	2,984,900	16,049,078	277,077	30,326,155	14,553,000	3,268,145
2 March	30,376,160	30,376,160	11,015,100	2,984,900	16,099,083	277,077	30,376,160	14,553,000	3,592,934
9 —	30,347,380	30,347,380	11,015,100	2,984,900	16,070,303	277,077	30,347,380	14,553,000	3,595,631
16 —	30,486,570	30,486,570	11,015,100	2,984,900	16,209,493	277,077	30,486,570	14,553,000	3,597,959
23 —	30,472,835	30,472,835	11,015,100	2,984,900	16,195,758	277,077	30,472,835	14,553,000	3,599,969
30 —	30,301,265	30,301,265	11,015,100	2,984,900	16,057,388	243,877	30,301,265	14,553,000	3,602,230
6 April	30,190,420	30,190,420	11,015,100	2,984,900	15,946,543	243,877	30,190,420	14,553,000	3,033,525
13 —	30,044,650	30,044,650	11,015,100	2,984,900	15,800,773	243,877	30,044,650	14,553,000	3,077,384
20 —	29,873,000	29,873,000	11,015,100	2,984,900	15,663,123	209,877	29,873,000	14,553,000	3,080,246
27 —	29,937,875	29,937,875	11,015,100	2,984,900	15,727,998	209,877	29,937,875	14,553,000	3,082,232

7 & 8 Vict. c. 32 (in continuation of Appendix, No. 5, to the Report from the Select Committee on Commercial Distress, 1848)—*continued.*

BANKING DEPARTMENT.									
Public Deposits.	Other Deposits.	Seven Day and Other Bills.	TOTAL.	Government Securities.	Other Securities.	Notes.	Gold and Silver Coin.	TOTAL.	Weeks ending
£.	£.	£.	£.	£.	£.	£.	£.	£.	1849:
8,419,045	8,814,702	1,012,717	36,200,179	13,599,597	10,825,470	10,985,050	790,062	36,200,179	6 January.
3,968,284	11,854,171	1,082,872	34,916,488	13,621,954	10,624,760	9,924,435	745,339	34,916,488	13 —
3,671,140	11,727,517	1,131,128	34,564,217	13,621,954	10,522,147	9,641,940	778,176	34,564,217	20 —
3,877,648	11,642,799	1,112,840	34,674,394	13,882,267	10,427,581	9,638,345	726,201	34,674,394	27 —
3,922,307	11,328,544	1,144,824	34,525,300	13,882,267	10,314,654	9,553,460	774,919	34,525,300	3 February.
4,551,829	11,190,305	1,108,132	34,982,128	14,022,267	10,048,716	10,108,960	802,185	34,982,128	10 —
5,303,317	10,491,860	1,114,470	35,043,134	14,022,267	9,916,264	10,308,040	796,563	35,043,134	17 —
5,815,929	10,142,742	1,117,330	35,143,566	14,074,183	9,872,296	10,272,940	924,147	35,143,566	24 —
6,140,572	9,997,754	1,128,002	35,674,696	14,074,183	10,795,769	9,942,445	862,299	35,674,696	3 March.
6,667,141	9,997,665	1,091,513	36,167,828	14,074,183	10,698,753	10,645,925	748,967	36,167,828	10 —
6,984,258	9,855,826	1,041,659	36,295,842	14,072,844	10,638,064	10,853,075	731,859	36,295,842	17 —
7,565,694	9,317,120	1,082,564	36,381,722	14,072,844	10,614,922	10,953,350	740,606	36,381,722	24 —
7,830,202	9,287,873	1,066,369	36,603,536	14,072,844	11,278,918	10,461,195	790,579	36,603,536	31 —
7,731,781	9,625,222	1,101,143	36,091,005	14,372,844	11,124,586	9,737,575	856,000	36,091,005	7 April.
3,484,063	11,780,256	1,120,461	34,068,932	14,352,241	10,061,870	8,875,885	778,936	34,068,932	14 —
2,806,747	11,815,217	1,132,069	33,431,520	13,952,241	10,047,536	8,691,680	740,263	33,431,520	21 —
2,782,190	11,778,602	1,129,332	33,370,294	13,957,269	10,095,826	8,533,925	783,274	33,370,294	28 —
3,182,031	11,380,996	1,142,841	33,411,477	14,236,069	10,111,307	8,281,460	782,641	33,411,477	5 May.
3,797,985	10,752,558	1,190,845	33,450,420	14,085,069	10,013,116	8,505,065	847,170	33,450,420	12 —
4,802,145	9,985,529	1,101,793	33,599,867	14,085,069	9,878,145	8,802,905	833,748	33,599,867	19 —
5,370,855	9,755,000	1,110,332	33,940,789	14,175,507	9,837,316	9,030,935	897,031	33,940,789	26 —
5,640,619	9,707,778	1,075,985	34,080,968	14,175,507	9,824,829	9,192,220	888,412	34,080,968	2 June.
6,181,026	9,526,150	1,066,067	34,429,784	14,175,507	9,723,675	9,648,040	882,562	34,429,784	9 —
6,731,437	9,556,938	1,072,355	35,023,622	14,315,468	9,731,825	10,094,240	882,089	35,023,622	16 —
7,380,990	9,336,927	987,646	35,370,004	14,327,249	9,721,867	10,437,420	883,468	35,370,004	23 —
7,591,504	9,226,639	1,005,318	35,489,934	14,363,848	9,939,670	10,366,340	820,076	35,489,934	30 —
7,485,212	8,829,368	1,027,720	35,028,390	14,362,960	9,910,970	9,851,915	902,545	35,028,390	7 July.
3,104,227	11,468,268	1,094,792	33,432,957	14,432,877	9,685,432	8,473,415	841,233	33,432,957	14 —
2,809,910	11,302,086	1,106,849	32,987,497	14,335,835	9,657,804	8,111,140	882,718	32,987,497	21 —
3,031,025	11,225,603	1,095,565	33,126,051	14,352,877	9,649,334	8,249,580	874,260	33,126,051	28 —
3,638,856	10,503,334	1,128,559	33,134,596	14,374,877	9,570,412	8,252,305	937,002	33,134,596	4 August.
4,712,703	9,953,425	1,117,461	33,648,889	14,282,877	9,551,310	8,902,720	911,982	33,648,889	11 —
5,564,014	9,400,121	1,095,012	33,921,616	14,282,877	9,937,253	8,756,460	945,026	33,921,616	18 —
6,117,532	9,536,827	1,049,338	34,546,249	14,308,576	9,928,590	9,339,360	969,723	34,546,249	25 —
6,337,090	9,270,111	1,059,641	34,794,203	14,334,255	10,132,598	9,470,200	857,150	34,794,203	1 September.
6,972,850	9,065,606	1,029,651	35,197,016	14,334,255	10,126,273	9,841,730	894,758	35,197,016	8 —
7,729,860	9,035,206	1,036,408	35,933,083	14,334,255	10,403,105	10,246,150	949,573	35,933,083	15 —
8,528,948	9,112,962	983,134	36,758,560	14,354,859	10,721,590	10,813,735	868,376	36,758,560	22 —
9,068,559	8,801,393	1,013,446	37,020,045	14,385,582	11,511,145	10,161,135	962,183	37,020,045	29 —
9,029,698	9,103,234	1,073,479	37,350,049	14,385,582	11,875,435	10,238,485	850,547	37,350,049	6 October.
5,867,050	10,814,916	1,062,691	35,425,621	14,192,871	10,732,880	9,566,980	932,890	35,425,621	13 —
4,738,700	10,495,719	1,126,262	34,044,221	14,228,068	9,824,113	9,204,250	787,790	34,044,221	20 —
4,858,589	10,738,142	1,080,914	34,363,425	14,228,068	9,826,691	9,520,015	788,651	34,363,425	27 —
5,347,502	10,399,754	1,109,155	34,568,131	14,228,068	9,744,810	9,724,865	870,388	34,568,131	3 November.
6,221,770	10,352,089	1,099,295	35,387,186	14,228,068	9,753,886	10,402,390	1,002,842	35,387,186	10 —
7,248,920	9,912,504	1,031,710	35,908,729	14,322,087	9,730,592	11,027,655	828,395	35,908,729	17 —
8,098,047	9,456,116	1,109,699	36,380,159	14,338,973	9,660,032	11,571,395	809,759	36,380,159	24 —
8,462,655	9,390,006	1,082,427	36,594,711	14,338,973	9,770,189	11,693,330	792,219	36,594,711	1 December.
8,931,249	9,519,954	1,093,531	37,206,421	14,338,973	10,016,315	12,062,290	788,843	37,206,421	8 —
9,529,986	9,928,865	1,069,216	38,192,659	14,350,880	10,803,418	12,184,560	853,801	38,192,659	15 —
10,263,704	9,488,580	1,069,234	38,488,677	14,350,880	10,860,565	12,481,220	796,012	38,488,677	22 —
10,559,491	9,364,105	1,021,951	38,618,347	14,350,880	11,478,064	12,011,550	777,853	38,618,347	29 —
									1850:
10,321,413	9,735,268	1,085,169	38,830,687	14,375,681	11,691,026	12,010,975	753,005	38,830,687	5 January.
5,974,800	11,241,118	1,156,409	36,124,148	14,296,554	10,099,051	10,990,185	738,358	36,124,148	12 —
5,599,761	11,070,694	1,180,549	35,627,609	14,296,554	9,848,040	10,730,650	752,365	35,627,609	19 —
5,499,042	10,805,883	1,171,320	35,258,342	14,296,554	9,883,402	10,354,685	723,701	35,258,342	26 —
5,727,761	10,591,701	1,205,956	35,311,012	14,296,554	9,828,739	10,479,370	706,349	35,311,012	2 February.
6,272,030	10,160,268	1,135,238	35,438,139	14,296,554	9,712,705	10,704,010	724,870	35,438,139	9 —
7,087,030	9,848,781	1,153,364	35,959,836	14,399,368	9,657,067	11,153,535	749,866	35,959,836	16 —
7,639,031	9,749,035	1,111,658	36,320,869	14,399,368	9,687,835	11,437,600	796,066	36,320,869	23 —
7,838,208	9,881,899	1,096,306	36,962,347	14,419,732	10,425,030	11,367,885	749,700	36,962,347	2 March.
8,160,205	10,185,000	1,095,104	37,588,940	14,419,732	10,863,797	11,519,435	785,976	37,588,940	9 —
8,542,182	10,260,861	1,051,558	38,005,560	14,418,854	11,322,296	11,477,695	786,715	38,005,560	16 —
9,241,322	9,943,548	1,036,557	38,374,396	14,418,854	11,294,119	11,854,315	807,108	38,374,396	23 —
9,571,047	9,526,633	1,060,332	38,313,242	14,418,854	12,267,353	10,849,365	777,670	38,313,242	30 —
9,255,123	10,024,993	1,094,919	37,961,560	14,418,854	11,981,434	10,815,930	745,342	37,961,560	6 April.
4,914,388	10,969,389	1,151,963	34,666,124	14,209,962	9,744,702	9,997,075	714,385	34,666,124	13 —
4,627,318	10,946,342	1,158,635	34,365,541	14,292,170	9,779,210	9,537,560	756,601	34,365,541	20 —
4,693,443	10,907,429	1,187,973	34,424,077	14,292,170	9,781,347	9,641,600	708,960	34,424,077	27 —

An Account of Notes, Securities, Bullion, &c., of the Bank of *England*, as published Weekly in the "Gazette," according to the Act

Weeks ending	ISSUE DEPARTMENT.								
	Notes Issued.	TOTAL.	Government Debt.	Other Securities.	Gold Coin and Bullion.	Silver Bullion.	TOTAL.	Proprietors' Capital.	Rest.
1850—*cont*^{d}.	£.	£.	£.	£.	£.	£.	£.	£.	£.
4 May	29,924,295	29,924,295	11,015,100	2,984,900	15,714,418	209,877	29,924,295	14,553,000	3,106,835
11 —	29,827,930	29,827,930	11,015,100	2,984,900	15,618,053	209,877	29,827,930	14,553,000	3,108,149
18 —	29,963,005	29,963,005	11,015,100	2,984,900	15,753,128	209,877	29,963,005	14,553,000	3,109,812
25 —	29,927,240	29,927,240	11,015,100	2,984,900	15,717,363	209,877	29,927,240	14,553,000	3,067,271
1 June	30,003,335	30,003,335	11,015,100	2,984,900	15,793,458	209,877	30,003,335	14,553,000	3,053,585
8 —	30,086,420	30,086,420	11,015,100	2,984,900	15,876,543	209,877	30,086,420	14,553,000	3,056,796
15 —	30,198,705	30,198,705	11,015,100	2,984,900	15,994,747	203,958	30,198,705	14,553,000	3,062,247
22 —	30,192,285	30,192,285	11,015,100	2,984,900	15,983,127	209,158	30,192,285	14,553,000	3,064,630
29 —	30,225,755	30,225,755	11,015,100	2,984,900	16,016,597	209,158	30,225,755	14,553,000	3,067,250
6 July	30,152,515	30,152,515	11,015,100	2,984,900	15,928,057	224,458	30,152,515	14,553,000	3,089,916
13 —	30,044,065	30,044,065	11,015,100	2,984,900	15,824,807	219,258	30,044,065	14,553,000	3,149,011
20 —	30,257,440	30,257,440	11,015,100	2,984,900	16,038,182	219,258	30,257,440	14,553,000	3,180,101
27 —	30,181,795	30,181,795	11,015,100	2,984,900	15,962,537	219,258	30,181,795	14,553,000	3,187,155
3 August	30,190,710	30,190,710	11,015,100	2,984,900	15,986,752	203,958	30,190,710	14,553,000	3,191,367
10 —	30,127,645	30,127,645	11,015,100	2,984,900	15,923,687	203,958	30,127,645	14,553,000	3,277,752
17 —	30,204,270	30,204,270	11,015,100	2,984,900	15,984,312	219,958	30,204,270	14,553,000	3,280,106
24 —	30,216,870	30,216,870	11,015,100	2,984,900	15,989,412	227,458	30,216,870	14,553,000	3,236,561
31 —	30,103,815	30,103,815	11,015,100	2,984,900	15,883,857	219,958	30,103,815	14,553,000	3,536,662
7 September	30,100,575	30,100,575	11,015,100	2,984,900	15,880,617	219,958	30,100,575	14,553,000	3,550,244
14 —	30,189,140	30,189,140	11,015,100	2,984,900	15,964,182	224,958	30,189,140	14,553,000	3,556,028
21 —	30,176,120	30,176,120	11,015,100	2,984,900	15,951,162	224,958	30,176,120	14,553,000	3,557,595
28 —	30,083,295	30,083,295	11,015,100	2,984,900	15,863,337	219,958	30,083,295	14,553,000	3,560,587
5 October	29,831,485	29,831,485	11,015,100	2,984,900	15,611,527	219,958	29,831,485	14,553,000	3,566,136
12 —	29,698,405	29,698,405	11,015,100	2,984,900	15,498,520	119,885	29,698,405	14,553,000	3,059,794
19 —	29,443,965	29,443,965	11,015,100	2,984,900	15,331,225	112,740	29,443,965	14,553,000	3,104,740
26 —	29,406,555	29,406,555	11,015,100	2,984,900	15,360,888	45,667	29,406,555	14,555,000	3,107,370
2 November	29,424,840	29,424,840	11,015,100	2,984,900	15,379,173	45,667	29,424,840	14,553,000	3,111,393
9 —	29,414,795	29,414,795	11,015,100	2,984,900	15,358,628	56,167	29,414,795	14,553,000	3,136,240
16 —	29,499,550	29,499,550	11,015,100	2,984,900	15,453,883	45,667	29,499,550	14,553,000	3,138,661
23 —	29,584,870	29,584,870	11,015,100	2,984,900	15,539,203	45,667	29,584,870	14,553,000	3,139,240
30 —	29,369,785	29,369,785	11,015,100	2,984,900	15,324,118	45,667	29,369,785	14,553,000	3,085,738
7 December	29,348,915	29,348,915	11,015,100	2,984,900	15,303,248	45,667	29,348,915	14,553,000	3,092,924
14 —	29,182,490	29,182,490	11,015,100	2,984,900	15,136,823	45,667	29,182,490	14,553,000	3,096,357
21 —	28,729,730	28,729,730	11,015,100	2,984,900	14,678,063	51,667	28,729,730	14,553,000	3,101,796
28 —	28,351,720	28,351,720	11,015,100	2,984,900	14,300,053	51,667	28,351,720	14,553,000	3,107,784
1851:									
4 January	28,273,230	28,273,230	11,015,100	2,984,900	14,221,563	51,667	28,273,230	14,553,000	3,128,010
11 —	28,010,190	28,010,190	11,015,100	2,984,900	13,970,523	39,667	28,010,190	14,553,000	3,194,398
18 —	27,918,170	27,918,170	11,015,100	2,984,900	13,878,503	39,667	27,918,170	14,553,000	3,225,214
25 —	27,791,180	27,791,180	11,015,100	2,984,900	13,751,513	39,667	27,791,180	14,553,000	3,226,840
1 February	27,704,515	27,704,515	11,015,100	2,984,900	13,674,848	29,667	27,704,515	14,553,000	3,235,113
8 —	27,638,220	27,638,220	11,015,100	2,984,900	13,608,553	29,667	27,638,220	14,553,000	3,239,356
15 —	27,758,220	27,758,220	11,015,100	2,984,900	13,728,553	29,667	27,758,220	14,553,000	3,326,780
22 —	27,762,085	27,762,085	11,015,100	2,984,900	13,732,418	29,667	27,762,085	14,553,000	3,273,872
1 March	27,772,240	27,772,240	11,015,100	2,984,900	13,738,865	33,375	27,772,240	14,553,000	3,610,954
8 —	27,733,195	27,733,195	11,015,100	2,984,900	13,699,820	33,375	27,733,195	14,553,000	3,614,262
15 —	27,711,690	27,711,690	11,015,100	2,984,900	13,678,315	33,375	27,711,690	14,553,000	3,616,367
22 —	27,715,620	27,715,620	11,015,100	2,984,900	13,682,245	33,375	27,715,620	14,553,000	3,619,206
29 —	27,556,410	27,556,410	11,015,100	2,984,900	13,523,035	33,375	27,556,410	14,553,000	3,622,726
5 April	27,294,345	27,294,345	11,015,100	2,984,900	13,260,970	33,375	27,294,345	14,553,000	3,046,028
12 —	26,966,270	26,966,270	11,015,100	2,984,900	12,932,895	33,375	26,966,270	14,553,000	3,097,929
19 —	26,733,660	26,733,660	11,015,100	2,984,900	12,700,285	33,375	26,733,660	14,553,000	3,100,403
26 —	26,662,475	26,662,475	11,015,100	2,984,900	12,629,100	33,375	26,662,475	14,553,000	3,103,904
3 May	26,642,270	26,642,270	11,015,100	2,984,900	12,608,895	33,375	26,642,270	14,553,000	3,130,069
10 —	26,649,110	26,649,110	11,015,100	2,984,900	12,615,735	33,375	26,649,110	14,553,000	3,134,369
17 —	26,705,095	26,705,095	11,015,100	2,984,900	12,671,720	33,375	26,705,095	14,553,000	3,139,966
24 —	26,905,510	26,905,510	11,015,100	2,984,900	12,872,135	33,375	26,905,510	14,553,000	3,143,792
31 —	27,013,135	27,013,135	11,015,100	2,984,900	12,979,760	33,375	27,013,135	14,553,000	3,084,750
7 June	27,198,335	27,198,335	11,015,100	2,984,900	13,164,960	33,375	27,198,335	14,553,000	3,089,074
14 —	27,298,550	27,298,550	11,015,100	2,984,900	13,265,175	33,375	27,298,550	14,553,000	3,097,191
21 —	27,446,820	27,446,820	11,015,100	2,984,900	13,413,445	33,375	27,446,820	14,553,000	3,101,282
28 —	27,693,495	27,693,495	11,015,100	2,984,900	13,660,120	33,375	27,693,495	14,553,000	3,105,220
5 July	27,581,520	27,581,520	11,015,100	2,984,900	13,548,145	33,375	27,581,520	14,553,000	3,128,517
12 —	27,450,155	27,450,155	11,015,100	2,984,900	13,416,780	33,375	27,450,155	14,553,000	3,192,194
19 —	27,283,560	27,283,560	11,015,100	2,984,900	13,250,185	33,375	27,283,560	14,553,000	3,219,384
26 —	27,225,485	27,225,485	11,015,100	2,984,900	13,192,110	33,375	27,225,485	14,553,000	3,223,598
2 August	27,268,180	27,268,180	11,015,100	2,984,900	13,234,805	33,375	27,268,180	14,553,000	3,229,281
9 —	27,341,085	27,341,085	11,015,100	2,984,900	13,307,710	33,375	27,341,085	14,553,000	3,319,048
16 —	27,543,905	27,543,905	11,015,100	2,984,900	13,510,530	33,375	27,543,905	14,553,000	3,326,769
23 —	27,623,190	27,623,190	11,015,100	2,984,900	13,589,815	33,375	27,623,190	14,553,000	3,288,460
30 —	27,763,415	27,763,415	11,015,100	2,984,900	13,730,040	33,375	27,763,415	14,553,000	3,566,965

7 & 8 Vict. c. 32 (in continuation of Appendix, No. 5, to the Report from the Select Committee on Commercial Distress, 1848)—*continued.*

BANKING DEPARTMENT.

Public Deposits.	Other Deposits.	Seven Day and Other Bills.	TOTAL.	Government Securities.	Other Securities.	Notes.	Gold and Silver Coin.	TOTAL.	Weeks ending
£.	£.	£.	£.	£.	£.	£.	£.	£.	1850—*cont*d.
4,997,054	10,649,502	1,230,216	34,536,607	14,292,170	9,778,216	9,817,185	649,036	34,536,607	4 May.
5,830,623	9,945,704	1,227,635	34,665,111	14,292,170	9,708,822	9,927,010	737,109	34,665,111	11 —
6,764,415	9,582,999	1,190,891	35,201,117	14,292,170	9,746,392	10,494,480	668,075	35,201,117	18 —
7,287,063	9,608,436	1,156,875	35,672,645	14,316,185	9,697,076	10,884,675	774,709	35,672,645	25 —
7,577,660	9,215,738	1,198,788	35,598,771	14,316,185	9,760,048	10,788,260	734,278	35,598,771	1 June.
8,034,220	9,450,246	1,189,956	36,284,218	14,316,185	10,267,023	10,921,525	779,485	36,284,218	8 —
8,415,694	9,646,380	1,177,855	36,855,176	14,315,770	11,057,149	10,738,685	743,572	36,855,176	15 —
9,273,119	9,473,140	1,181,230	37,545,119	14,315,770	11,115,436	11,339,375	774,538	37,545,119	22 —
9,679,111	9,167,709	1,244,787	37,711,857	14,375,826	11,679,773	10,924,910	731,348	37,711,857	29 —
9,564,513	9,273,018	1,250,349	37,730,796	14,374,908	11,943,840	10,695,955	716,093	37,730,796	6 July.
5,090,507	11,263,012	1,331,619	35,387,149	14,294,583	10,522,279	9,770,045	800,242	35,387,149	13 —
4,645,194	11,122,418	1,311,702	34,812,415	14,285,583	10,184,360	9,689,180	653,292	34,812,415	20 —
5,022,745	10,404,440	1,365,264	34,532,604	14,285,583	10,166,075	9,421,020	659,926	34,532,604	27 —
5,480,874	9,976,414	1,331,720	34,533,375	14,285,583	10,139,611	9,476,515	631,666	34,533,375	3 August.
6,283,402	9,717,785	1,347,789	35,179,728	14,430,847	10,096,045	9,978,245	674,491	35,179,728	10 —
7,261,305	9,569,322	1,328,448	35,992,181	14,430,847	10,534,408	10,377,215	649,711	35,992,181	17 —
7,927,165	9,377,894	1,292,333	36,386,953	14,430,847	10,720,307	10,596,710	639,089	36,386,953	24 —
8,261,281	9,281,099	1,305,014	36,937,056	14,430,847	11,419,381	10,421,070	665,758	36,937,056	31 —
8,885,786	9,106,676	1,260,758	37,356,464	14,430,847	11,709,259	10,618,990	606,368	37,356,464	7 September.
9,488,907	9,032,865	1,264,518	37,895,318	14,433,230	11,908,694	10,947,430	605,964	37,895,318	14 —
10,222,879	8,968,161	1,239,992	38,541,627	14,433,230	12,158,839	11,313,980	635,578	38,541,627	21 —
10,854,230	8,877,696	1,247,484	39,092,997	14,433,230	12,985,843	11,049,995	623,929	39,092,997	28 —
10,652,937	8,899,290	1,309,561	38,980,924	14,443,637	13,389,578	10,527,035	620,674	38,980,924	5 October.
10,694,649	8,850,077	1,318,576	38,476,096	14,443,637	13,194,789	10,231,025	606,645	38,476,096	12 —
6,284,496	9,550,613	1,383,932	34,876,781	14,228,901	10,772,545	9,304,195	571,140	34,876,781	19 —
6,254,823	9,938,411	1,396,006	35,249,610	14,228,901	10,866,740	9,586,855	567,114	35,249,610	26 —
6,594,381	9,932,226	1,379,907	35,570,907	14,228,901	11,038,486	9,703,145	600,375	35,570,907	2 November.
7,302,189	9,718,433	1,330,665	36,040,527	14,228,901	10,980,140	10,150,765	680,721	36,040,527	9 —
8,240,884	9,385,599	1,304,938	36,623,082	14,228,901	11,320,567	10,397,480	676,134	36,623,082	16 —
9,040,581	9,558,819	1,275,309	37,566,949	14,228,901	11,719,370	10,983,105	635,573	37,566,949	23 —
9,398,752	9,789,794	1,265,406	38,092,690	14,228,901	12,461,368	10,762,335	640,086	38,092,690	30 —
9,775,399	9,511,556	1,253,998	38,186,877	14,228,901	12,722,488	10,642,205	593,283	38,186,877	7 December.
10,274,389	9,275,629	1,248,313	38,447,688	14,228,901	12,678,322	10,902,825	637,640	38,447,688	14 —
10,783,808	9,201,634	1,219,167	38,859,405	14,233,252	13,762,797	10,233,710	629,646	38,859,405	21 —
11,022,817	9,147,039	1,252,151	39,082,791	14,233,252	14,459,608	9,777,970	611,961	39,082,791	28 —
									1851:
10,796,555	9,480,319	1,249,591	39,207,475	14,232,319	15,181,698	9,236,570	556,888	39,207,475	4 January.
6,455,107	10,975,856	1,247,508	36,425,869	14,150,256	13,511,364	8,132,590	631,659	36,425,869	11 —
5,847,019	10,517,783	1,206,425	35,349,441	14,150,256	12,619,768	7,971,140	608,277	35,349,441	18 —
5,756,995	10,721,309	1,164,872	35,423,016	14,145,156	12,339,494	8,298,980	639,386	35,423,016	25 —
6,051,128	9,787,615	1,182,602	34,809,458	14,145,696	11,946,360	8,074,460	642,942	34,809,458	1 February.
6,723,916	9,360,278	1,206,472	35,083,022	14,145,696	11,834,247	8,463,135	639,944	35,083,022	8 —
7,164,484	9,423,679	1,129,290	35,597,233	14,145,696	11,888,361	8,847,895	715,281	35,597,233	15 —
7,617,014	9,497,519	1,062,436	36,003,841	14,145,696	12,135,618	9,049,075	673,452	36,003,841	22 —
7,794,344	9,521,505	1,053,596	36,533,399	14,145,696	13,174,857	8,536,665	676,181	36,533,399	1 March.
8,016,287	9,363,092	1,059,239	36,605,880	14,145,696	13,030,554	8,739,140	690,490	36,605,880	8 —
8,227,989	9,287,826	1,024,992	36,710,174	14,145,250	12,904,218	8,956,255	704,451	36,710,174	15 —
8,792,245	8,977,263	1,016,085	36,957,799	14,145,250	12,907,809	9,221,300	683,440	36,957,799	22 —
8,999,881	9,266,234	1,051,416	37,493,257	14,145,250	14,063,963	8,594,275	689,769	37,493,257	29 —
8,866,091	9,572,840	1,096,252	37,134,211	14,145,250	14,147,070	8,229,580	612,311	37,134,211	5 April.
4,723,323	10,164,340	1,093,249	33,631,841	14,086,798	11,901,832	7,019,945	623,266	33,631,841	12 —
4,102,458	10,256,573	1,058,932	33,071,366	13,936,798	11,638,650	6,887,180	608,738	33,071,366	19 —
4,308,927	9,812,983	1,081,984	32,860,798	13,929,905	11,509,951	6,793,570	627,372	32,860,798	26 —
4,762,496	9,563,751	1,125,473	33,134,789	14,125,102	11,441,155	6,957,245	611,287	33,134,789	3 May.
5,154,596	8,963,891	1,127,863	32,933,719	13,606,362	11,508,890	7,195,960	622,507	32,933,719	10 —
6,017,417	8,921,477	1,077,668	33,709,528	13,590,988	11,887,695	7,579,520	651,325	33,709,528	17 —
6,582,509	8,743,887	1,093,296	34,116,484	13,593,235	11,981,795	7,878,915	662,539	34,116,484	24 —
6,888,791	8,806,603	1,076,058	34,409,202	13,593,235	12,508,833	7,615,415	691,719	34,409,202	31 —
7,488,615	8,726,683	1,073,309	34,930,681	13,544,329	12,558,110	8,190,020	638,222	34,930,681	7 June.
7,509,278	8,907,866	1,058,899	35,426,234	13,544,281	12,837,529	8,417,100	627,324	35,426,234	14 —
8,635,559	8,713,685	1,059,157	36,062,683	13,544,281	13,234,757	8,532,105	751,540	36,062,683	21 —
9,102,585	9,012,082	1,080,126	36,853,013	13,544,281	14,246,662	8,437,600	624,470	36,853,013	28 —
8,931,362	8,695,802	1,155,206	36,463,887	13,545,235	14,251,192	8,036,265	631,195	36,463,887	5 July.
4,319,348	10,440,830	1,175,054	33,680,426	13,464,021	12,389,725	7,259,180	567,500	33,680,426	12 —
3,957,006	9,583,816	1,182,893	32,496,099	13,464,021	11,803,076	6,649,515	579,487	32,496,099	19 —
4,295,495	9,097,562	1,195,667	32,365,322	13,464,021	11,600,605	6,709,445	591,251	32,365,322	26 —
4,758,458	9,002,461	1,270,148	32,813,348	13,464,021	11,800,143	6,922,485	626,699	32,813,348	2 August.
5,513,244	8,719,460	1,239,650	33,344,402	13,464,021	12,078,245	7,189,700	612,436	33,344,402	9 —
6,393,552	8,617,141	1,317,068	34,207,530	13,464,216	12,698,000	7,412,420	632,894	34,207,530	16 —
7,161,085	8,507,179	1,322,007	34,831,731	13,464,216	12,884,841	7,878,040	604,634	34,831,731	23 —
7,607,965	8,525,022	1,248,939	35,501,891	13,464,216	13,391,746	8,046,920	599,009	35,501,891	30 —

(*continued*)

An Account of Notes, Securities, Bullion, &c., of the Bank of *England*, as published Weekly in the "Gazette," according to the Act

Weeks ending	ISSUE DEPARTMENT.								
	Notes Issued.	TOTAL.	Government Debt.	Other Securities.	Gold Coin and Bullion.	Silver Bullion.	TOTAL.	Proprietors' Capital.	Rest.
1851—*cont*^{d}.	£.	£.	£.	£.	£.	£.	£.	£.	£.
6 September	27,707,565	27,707,565	11,015,100	2,984,900	13,674,190	33,375	27,707,565	14,553,000	3,588,957
13 —	27,937,740	27,937,740	11,015,100	2,984,900	13,904,365	33,375	27,937,740	14,553,000	3,592,045
20 —	28,075,490	28,075,490	11,015,100	2,984,900	14,042,115	33,375	28,075,490	14,553,000	3,596,497
27 —	28,356,340	28,356,340	11,015,100	2,984,900	14,322,965	33,375	28,356,340	14,553,000	3,600,627
4 October	28,415,790	28,415,790	11,015,100	2,984,900	14,382,415	33,375	28,415,790	14,553,000	3,606,821
11 —	28,454,780	28,454,780	11,015,100	2,984,900	14,421,405	33,375	28,454,780	14,553,000	3,102,791
18 —	28,458,270	28,458,270	11,015,100	2,984,900	14,424,895	33,375	28,458,270	14,553,000	3,147,472
25 —	28,614,515	28,614,515	11,015,100	2,984,900	14,581,140	33,375	28,614,515	14,553,000	3,151,112
1 November	28,643,895	28,643,895	11,015,100	2,984,900	14,610,520	33,375	28,643,895	14,553,000	3,153,046
8 —	28,682,605	28,682,605	11,015,100	2,984,900	14,649,230	33,375	28,682,605	14,553,000	3,177,913
15 —	29,114,435	29,114,435	11,015,100	2,984,900	15,081,060	33,375	29,114,435	14,553,000	3,180,188
22 —	29,459,485	29,459,485	11,015,100	2,984,900	15,426,110	33,375	29,459,485	14,553,000	3,183,168
29 —	29,535,760	29,535,760	11,015,100	2,984,900	15,502,385	33,375	29,535,760	14,553,000	3,123,536
6 December	29,902,930	29,902,930	11,015,100	2,984,900	15,869,555	33,375	29,902,930	14,553,000	3,126,495
13 —	30,279,620	30,279,620	11,015,100	2,984,900	16,246,245	33,375	30,279,620	14,553,000	3,129,894
20 —	30,818,250	30,818,250	11,015,100	2,984,900	16,784,875	33,375	30,818,250	14,553,000	3,132,978
27 —	30,744,280	30,744,280	11,015,100	2,984,900	16,710,905	33,375	30,744,280	14,553,000	3,136,585
1852:									
3 January	30,992,450	30,992,450	11,015,100	2,984,900	16,959,075	33,375	30,992,450	14,553,000	3,164,894
10 —	31,028,095	31,028,095	11,015,100	2,984,900	16,994,720	33,375	31,028,095	14,553,000	3,225,112
17 —	31,151,175	31,151,175	11,015,100	2,984,900	17,117,800	33,375	31,151,175	14,553,000	3,247,702
24 —	31,382,360	31,382,360	11,015,100	2,984,900	17,348,985	33,375	31,382,360	14,553,000	3,249,662
31 —	31,657,730	31,657,730	11,015,100	2,984,900	17,624,355	33,375	31,657,730	14,553,000	3,254,582
7 February	31,712,040	31,712,040	11,015,100	2,984,900	17,678,665	33,375	31,712,040	14,553,000	3,341,859
14 —	32,094,395	32,094,395	11,015,100	2,984,900	18,061,020	33,375	32,094,395	14,553,000	3,336,486
21 —	32,416,745	32,416,745	11,015,100	2,984,900	18,383,370	33,375	32,416,745	14,553,000	3,280,870
28 —	32,732,125	32,732,125	11,015,100	2,984,900	18,698,750	33,375	32,732,125	14,553,000	3,604,186
6 March	32,897,145	32,897,145	11,015,100	2,984,900	18,863,770	33,375	32,897,145	14,553,000	3,616,528
13 —	33,147,740	33,147,740	11,015,100	2,984,900	19,114,365	33,375	33,147,740	14,553,000	3,618,491
20 —	33,175,625	33,175,625	11,015,100	2,984,900	19,142,250	33,375	33,175,625	14,553,000	3,620,036
27 —	33,290,455	33,290,455	11,015,100	2,984,900	19,257,080	33,375	33,290,455	14,553,000	3,621,506
3 April	33,084,485	33,084,485	11,015,100	2,984,900	19,051,110	33,375	33,084,485	14,553,000	3,624,418
10 —	32,733,785	32,733,785	11,015,100	2,984,900	18,700,410	33,375	32,733,785	14,553,000	3,091,222
17 —	33,080,270	33,080,270	11,015,100	2,984,900	19,046,895	33,375	33,080,270	14,553,000	3,094,923
24 —	33,099,150	33,099,150	11,015,100	2,984,900	19,065,775	33,375	33,099,150	14,553,000	3,098,110
1 May	33,417,775	33,417,775	11,015,100	2,984,900	19,384,400	33,375	33,417,775	14,553,000	3,102,037
8 —	33,732,130	33,732,130	11,015,100	2,984,900	19,698,755	33,375	33,732,130	14,553,000	3,124,968
15 —	33,819,100	33,819,100	11,015,100	2,984,900	19,785,725	33,375	33,819,100	14,553,000	3,126,621
22 —	34,109,490	34,109,490	11,015,100	2,984,900	20,076,115	33,375	34,109,490	14,553,000	3,126,171
29 —	34,187,115	34,187,115	11,015,100	2,984,900	20,153,740	33,375	34,187,115	14,553,000	3,077,028
5 June	34,352,260	34,352,260	11,015,100	2,984,900	20,318,885	33,375	34,352,260	14,553,000	3,065,992
12 —	34,725,270	34,725,270	11,015,100	2,984,900	20,691,895	33,375	34,725,270	14,553,000	3,071,786
19 —	34,952,965	34,952,965	11,015,100	2,984,900	20,919,590	33,375	34,952,965	14,553,000	3,075,554
26 —	35,587,175	35,587,175	11,015,100	2,984,900	21,553,800	33,375	35,587,175	14,553,000	3,077,944
3 July	35,775,485	35,775,485	11,015,100	2,984,900	21,742,110	33,375	35,775,485	14,553,000	3,102,133
10 —	35,878,765	35,878,765	11,015,100	2,984,900	21,845,390	33,375	35,878,765	14,553,000	3,159,913
17 —	35,659,110	35,659,110	11,015,100	2,984,900	21,625,735	33,375	35,659,110	14,553,000	3,190,478
24 —	35,708,075	35,708,075	11,015,100	2,984,900	21,674,700	33,375	35,708,075	14,553,000	3,194,140
31 —	35,329,155	35,329,155	11,015,100	2,984,900	21,295,780	33,375	35,329,155	14,553,000	3,199,124
7 August	35,156,170	35,156,170	11,015,100	2,984,900	21,122,795	33,375	35,156,170	14,553,000	3,285,396
14 —	35,620,115	35,620,115	11,015,100	2,984,900	21,601,148	18,967	35,620,115	14,553,000	3,287,265
21 —	35,425,130	35,425,130	11,015,100	2,984,900	21,406,163	18,967	35,425,130	14,553,000	3,288,643
28 —	35,444,910	35,444,910	11,015,100	2,984,900	21,425,943	18,967	35,444,910	14,553,000	3,225,764
4 September	35,354,075	35,354,075	11,015,100	2,984,900	21,334,921	19,154	35,354,075	14,553,000	3,549,003
11 —	35,349,790	35,349,790	11,015,100	2,984,900	21,330,636	19,154	35,349,790	14,553,000	3,550,362
18 —	35,154,530	35,154,530	11,015,100	2,894,900	21,135,376	19,154	35,154,530	14,553,000	3,552,340
25 —	35,132,560	35,132,560	11,015,100	2,894,900	21,113,406	19,154	35,132,560	14,553,000	3,553,841
2 October	34,990,395	34,990,395	11,015,100	2,984,900	20,971,241	19,154	34,990,395	14,553,000	3,557,415
9 —	34,907,830	34,907,830	11,015,100	2,984,900	20,888,676	19,154	34,907,830	14,553,000	3,559,657
16 —	35,052,305	35,052,305	11,015,100	2,984,900	21,033,151	19,154	35,052,305	14,553,000	3,096,196
23 —	34,736,230	34,736,230	11,015,100	2,984,900	20,717,076	19,154	34,736,230	14,553,000	3,098,897
30 —	34,767,270	34,767,270	11,015,100	2,984,900	20,748,116	19,154	34,767,270	14,553,000	3,100,802
6 November	34,592,735	34,592,735	11,015,100	2,984,900	20,573,581	19,154	34,592,735	14,553,000	3,125,075
13 —	34,699,275	34,699,275	11,015,100	2,984,900	20,680,121	19,154	34,699,275	14,553,000	3,127,453
20 —	34,798,175	34,798,175	11,015,100	2,984,900	20,779,021	19,154	34,798,175	14,553,000	3,131,287
27 —	35,209,260	35,209,260	11,015,100	2,984,900	21,190,106	19,154	35,209,260	14,553,000	3,123,998
4 December	35,246,890	35,246,890	11,015,100	2,984,900	21,227,736	19,154	35,246,890	14,553,000	3,075,011
11 —	34,970,670	34,970,670	11,015,100	2,984,900	20,951,516	19,154	34,970,670	14,553,000	3,077,217
18 —	34,495,125	34,495,125	11,015,100	2,984,900	20,475,971	19,154	34,495,125	14,553,000	3,080,773
24 —	34,071,925	34,071,925	11,015,100	2,984,900	20,052,771	19,154	34,071,925	14,553,000	3,083,969

7 & 8 Vict. c. 32 (in continuation of Appendix, No. 5, to the Report from the Select Committee on Commercial Distress, 1848)—*continued.*

BANKING DEPARTMENT.

Public Deposits.	Other Deposits.	Seven Day and Other Bills.	TOTAL.	Government Securities.	Other Securities.	Notes.	Gold and Silver Coin.	TOTAL.	Weeks ending
£.	£.	£.	£.	£.	£.	£.	£.	£.	1851—*cont^d.*
8,093,413	8,121,431	1,228,309	35,585,110	13,464,216	13,193,878	8,344,190	582,826	35,585,110	6 September.
8,757,770	8,193,065	1,211,149	36,307,029	13,464,216	13,437,245	8,826,835	578,733	36,307,029	13 —
9,386,100	8,207,807	1,219,706	36,963,110	13,464,216	13,785,274	9,123,970	589,650	36,963,110	20 —
9,886,439	8,229,829	1,217,903	37,487,798	13,464,216	14,247,837	9,178,685	597,060	37,487,798	27 —
9,655,588	8,556,950	1,249,786	37,622,145	13,464,216	14,624,018	8,958,225	575,686	37,622,145	4 October.
9,728,421	8,683,515	1,212,848	37,280,575	13,464,216	14,337,386	8,883,160	595,813	37,280,575	11 —
5,396,169	10,339,401	1,268,108	34,704,150	13,241,768	13,083,883	7,782,265	596,234	34,704,150	18 —
5,175,353	10,474,704	1,265,367	34,619,536	13,241,768	12,843,838	7,916,280	617,650	34,619,536	25 —
5,437,553	10,337,251	1,269,856	34,750,706	13,241,768	12,688,022	8,175,170	645,746	34,750,706	1 November.
6,086,141	9,549,304	1,228,758	34,595,116	13,241,768	12,215,287	8,561,265	576,796	34,595,116	8 —
6,938,290	9,308,899	1,189,609	35,169,986	13,241,768	11,818,439	9,528,870	580,909	35,169,986	15 —
7,300,341	9,290,436	1,169,317	35,496,262	13,241,768	11,589,520	10,104,265	560,709	35,496,262	22 —
7,745,054	9,129,575	1,174,680	35,725,845	13,241,768	11,573,465	10,312,295	598,317	35,725,845	29 —
8,077,344	9,539,188	1,156,863	36,452,890	13,241,768	11,547,043	11,048,425	615,654	36,452,890	6 December.
8,534,018	9,358,848	1,152,453	36,728,213	13,241,768	11,454,732	11,390,345	641,368	36,728,213	13 —
9,202,522	9,360,449	1,098,788	37,347,737	13,244,220	11,366,148	12,142,055	595,314	37,347,737	20 —
9,620,146	9,281,391	1,047,234	37,638,356	13,291,937	11,746,805	12,024,350	575,264	37,638,356	27 —
									1852:
9,447,516	9,371,117	1,241,618	37,778,145	13,290,972	12,214,222	11,707,860	565,091	37,778,145	3 January.
5,292,524	12,001,829	1,181,507	36,253,972	13,233,763	11,746,188	10,786,615	487,406	36,253,972	10 —
4,715,153	11,656,776	1,171,745	35,344,376	13,269,098	11,388,726	10,112,840	573,712	35,344,376	17 —
4,768,121	12,187,177	1,140,577	35,898,537	13,269,098	11,336,325	10,741,950	551,164	35,898,537	24 —
4,846,972	12,347,634	1,150,443	36,152,631	13,420,923	11,255,501	10,918,765	557,442	36,152,631	31 —
5,263,972	12,128,638	1,249,028	36,536,497	13,420,923	11,181,921	11,364,050	569,603	36,536,497	7 February.
5,925,306	11,552,777	1,169,951	36,537,520	13,524,391	11,125,457	11,385,900	501,772	36,537,520	14 —
6,392,181	11,916,013	1,148,958	37,291,022	13,550,532	10,979,880	12,229,325	531,285	37,291,022	21 —
6,723,106	11,658,452	1,121,792	37,660,536	13,558,099	11,386,983	12,208,655	506,799	37,660,536	28 —
6,902,929	12,124,056	1,143,943	38,340,456	13,565,323	11,602,383	12,659,825	512,925	38,340,456	6 March.
6,964,540	12,558,987	1,062,927	38,757,945	13,567,593	11,751,508	12,912,410	526,434	38,757,945	13 —
7,520,393	12,300,704	1,061,520	39,055,653	13,567,593	11,722,150	13,195,605	570,305	39,055,653	20 —
7,978,820	11,644,776	1,124,590	38,922,692	13,567,593	11,689,599	13,140,210	525,290	38,922,692	27 —
7,687,708	11,191,626	1,140,730	38,197,482	13,567,593	11,720,843	12,397,030	512,016	38,197,482	3 April.
4,764,651	13,992,932	1,162,848	37,564,653	14,301,095	11,225,844	11,526,200	511,514	37,564,653	10 —
3,265,285	13,906,918	1,166,306	35,986,432	13,395,779	11,086,331	11,024,320	480,002	35,986,432	17 —
2,993,373	14,472,598	1,207,142	36,324,223	13,335,779	10,999,619	11,500,305	488,520	36,324,223	24 —
3,194,817	14,365,920	1,213,821	36,429,595	13,338,023	11,022,332	11,585,615	483,625	36,429,595	1 May.
3,526,451	14,130,767	1,277,254	36,612,440	13,338,023	10,888,495	11,887,015	498,907	36,612,440	8 —
4,265,675	13,686,289	1,220,324	36,851,909	13,451,657	10,765,581	12,148,865	485,806	36,851,909	15 —
5,132,209	13,788,837	1,220,236	37,820,453	13,833,241	10,662,923	12,805,045	519,244	37,820,453	22 —
5,566,299	13,182,382	1,242,195	37,620,904	13,874,572	10,704,645	12,542,285	499,402	37,620,904	29 —
6,119,961	13,030,750	1,255,847	38,025,550	14,174,572	10,697,573	12,666,945	486,460	38,025,550	5 June.
6,092,573	13,678,855	1,250,492	38,646,706	13,874,526	10,873,025	13,440,375	458,780	38,646,706	12 —
6,856,819	13,030,979	1,224,806	38,741,158	13,874,526	10,868,650	13,515,930	482,052	38,741,158	19 —
7,596,979	12,834,028	1,268,098	39,330,049	13,874,526	10,755,395	14,244,620	455,508	39,330,049	26 —
7,647,476	12,968,501	1,332,527	39,603,637	13,873,545	11,773,967	13,534,310	421,815	39,603,637	3 July.
3,908,478	15,429,582	1,333,416	38,384,389	14,124,546	11,407,460	12,499,010	353,373	38,384,389	10 —
3,077,870	14,715,088	1,356,025	36,892,461	13,979,616	10,671,902	11,911,375	329,568	36,892,461	17 —
2,802,361	15,464,288	1,386,878	37,400,667	13,784,546	10,782,182	12,476,665	357,274	37,400,667	24 —
3,195,152	14,506,774	1,366,978	36,821,028	13,790,720	10,799,655	11,849,700	380,953	36,821,028	31 —
3,823,713	13,885,973	1,432,737	36,980,819	13,790,720	10,756,634	12,115,995	317,470	36,980,819	7 August.
4,828,920	13,088,533	1,330,508	37,803,226	14,089,495	10,740,159	12,667,560	306,012	37,803,226	14 —
5,844,525	12,945,084	1,336,037	37,967,289	14,139,338	10,714,100	12,665,015	448,836	37,967,289	21 —
6,318,428	12,638,205	1,393,827	38,129,224	14,189,182	10,646,723	12,824,475	468,844	38,129,224	28 —
6,667,129	12,136,546	1,425,278	38,330,956	14,189,182	11,100,487	12,542,790	498,497	38,330,956	4 September.
7,287,944	12,330,726	1,391,262	39,113,294	14,189,182	11,116,843	13,263,415	543,854	39,113,294	11 —
8,010,476	11,919,586	1,393,075	39,428,477	14,189,182	11,325,130	13,201,400	712,765	39,428,477	18 —
8,792,451	11,838,130	1,413,534	40,150,956	14,189,182	11,662,783	13,619,955	679,036	40,150,956	25 —
8,935,158	11,532,546	1,395,587	39,973,706	14,189,182	12,474,729	12,746,580	563,215	39,973,706	2 October.
9,076,438	11,493,050	1,456,439	40,138,584	14,189,182	12,483,569	12,655,645	810,188	40,138,584	9 —
4,898,568	13,107,431	1,492,839	37,148,034	13,950,375	11,187,061	11,392,445	618,153	37,148,034	16 —
4,449,346	13,670,230	1,442,560	37,214,033	13,950,375	11,179,558	11,576,015	508,085	37,214,033	23 —
4,664,600	12,801,729	1,471,650	36,591,781	13,950,375	11,296,193	10,954,215	390,998	36,591,781	30 —
5,040,143	12,653,673	1,485,294	36,857,185	13,950,375	11,362,535	11,241,590	302,685	36,857,185	6 November.
5,973,230	12,367,099	1,507,161	37,527,943	13,962,688	11,493,768	11,496,990	574,497	37,527,943	13 —
6,661,061	12,414,448	1,459,664	38,219,460	13,962,688	11,605,603	12,127,350	523,819	38,219,460	20 —
7,258,422	12,493,548	1,501,942	38,930,910	13,962,688	11,963,622	12,506,195	498,405	38,930,910	27 —
7,637,710	12,699,303	1,493,667	39,458,691	13,962,688	12,410,821	12,523,740	561,442	39,458,691	4 December.
7,955,077	12,507,244	1,444,938	39,537,476	13,962,688	12,620,203	12,415,100	539,485	39,537,476	11 —
8,648,726	12,496,270	1,468,714	40,247,483	13,962,688	13,356,036	12,258,660	670,099	40,247,483	18 —
9,297,726	12,264,343	1,423,287	40,622,325	13,962,688	14,135,952	11,846,420	677,265	40,622,325	24 —

(*continued*)

An Account of Notes, Securities, Bullion, &c., of the Bank of *England*, as published Weekly in the "Gazette," according to the Act

Weeks ending	ISSUE DEPARTMENT.								
	Notes Issued.	TOTAL.	Government Debt.	Other Securities.	Gold Coin and Bullion.	Silver Bullion.	TOTAL.	Proprietors' Capital.	Rest.
1853:	£.	£.	£.	£.	£.	£.	£.	£.	£.
1 January	34,014,005	34,014,005	11,015,100	2,984,900	19,994,851	19,154	34,014,005	14,553,000	3,113,924
8 —	33,170,165	33,170,165	11,015,100	2,984,900	19,151,011	19,154	33,170,165	14,553,000	3,176,619
15 —	32,665,555	32,665,555	11,015,100	2,984,900	18,646,401	19,154	32,665,555	14,553,000	3,208,878
22 —	32,918,040	32,918,040	11,015,100	2,984,900	18,898,886	19,154	32,918,040	14,553,000	3,214,206
29 —	32,494,810	32,494,810	11,015,100	2,984,900	18,475,656	19,154	32,494,810	14,553,000	3,218,441
5 February	32,034,230	32,034,230	11,015,100	2,984,900	18,015,076	19,154	32,034,230	14,553,000	3,308,432
12 —	31,799,710	31,799,710	11,015,100	2,984,900	17,780,556	19,154	31,799,710	14,553,000	3,313,924
19 —	31,748,285	31,748,285	11,015,100	2,984,900	17,729,131	19,154	31,748,285	14,553,000	3,313,109
26 —	31,652,320	31,652,320	11,015,100	2,984,900	17,633,166	19,154	31,652,320	14,553,000	3,247,336
5 March	32,361,900	32,361,900	11,015,100	2,984,900	18,342,746	19,154	32,361,900	14,553,000	3,617,702
12 —	32,378,600	32,378,600	11,015,100	2,984,900	18,359,446	19,154	32,378,600	14,553,000	3,622,448
19 —	32,596,935	32,596,935	11,015,100	2,984,900	18,577,781	19,154	32,596,935	14,553,000	3,626,365
26 —	32,584,005	32,584,005	11,015,100	2,984,900	18,564,851	19,154	32,584,005	14,553,000	3,630,638
2 April	32,570,030	32,570,030	11,015,100	2,984,900	18,550,876	19,154	32,570,030	14,553,000	3,635,929
9 —	32,816,460	32,816,460	11,015,100	2,984,900	18,797,306	19,154	32,816,460	14,553,000	3,106,886
16 —	32,519,885	32,519,885	11,015,100	2,984,900	18,500,731	19,154	32,519,885	14,553,000	3,110,471
23 —	31,992,475	31,992,475	11,015,100	2,984,900	17,973,321	19,154	31,992,475	14,553,000	3,114,339
30 —	31,808,965	31,808,965	11,015,100	2,984,900	17,789,811	19,154	31,808,965	14,553,000	3,120,987
7 May	31,744,240	31,744,240	11,015,100	2,984,900	17,725,086	19,154	31,744,240	14,553,000	3,146,809
14 —	31,591,025	31,591,025	11,015,100	2,984,900	17,571,871	19,154	31,591,025	14,553,000	3,151,746
21 —	31,372,785	31,372,785	11,015,100	2,984,900	17,353,631	19,154	31,372,785	14,553,000	3,156,577
28 —	31,453,890	31,453,890	11,015,100	2,984,900	17,434,736	19,154	31,453,890	14,553,000	3,110,204
4 June	31,790,405	31,790,405	11,015,100	2,984,900	17,771,251	19,154	31,790,405	14,553,000	3,106,195
11 —	31,991,065	31,991,065	11,015,100	2,984,900	17,971,911	19,154	31,991,065	14,553,000	3,111,594
18 —	32,115,995	32,115,995	11,015,100	2,984,900	18,096,841	19,154	32,115,995	14,553,000	3,114,532
25 —	32,194,885	32,194,885	11,015,100	2,984,900	18,175,731	19,154	32,194,885	14,553,000	3,116,211
2 July	32,052,080	32,052,080	11,015,100	2,984,900	18,032,926	19,154	32,052,080	14,553,000	3,149,789
9 —	31,908,800	31,908,800	11,015,100	2,984,900	17,889,646	19,154	31,908,800	14,553,000	3,210,137
16 —	31,549,855	31,549,855	11,015,100	2,984,900	17,530,701	19,154	31,549,855	14,553,000	3,240,220
23 —	31,460,085	31,460,085	11,015,100	2,984,900	17,440,931	19,154	31,460,085	14,553,000	3,243,581
30 —	31,322,800	31,322,800	11,015,100	2,984,900	17,303,646	19,154	31,322,800	14,553,000	3,248,703
6 August	31,052,235	31,052,235	11,015,100	2,984,900	17,033,081	19,154	31,052,235	14,553,000	3,342,683
13 —	30,963,240	30,963,240	11,015,100	2,984,900	16,944,086	19,154	30,963,240	14,553,000	3,344,226
20 —	30,647,690	30,647,690	11,015,100	2,984,900	16,628,536	19,154	30,647,690	14,553,000	3,351,848
27 —	30,531,650	30,531,650	11,015,100	2,984,900	16,531,650	- - -	30,531,650	14,553,000	3,291,440
3 September	30,162,640	30,162,640	11,015,100	2,984,900	16,162,640	- - -	30,162,640	14,553,000	3,634,523
10 —	29,866,770	29,866,770	11,015,100	2,984,900	15,866,770	- - -	29,866,770	14,553,000	3,641,708
17 —	29,399,075	29,399,075	11,015,100	2,984,900	15,399,075	- - -	29,399,075	14,553,000	3,658,265
24 —	29,065,880	29,065,880	11,015,100	2,984,900	15,065,880	- - -	29,065,880	14,553,000	3,665,581
1 October	29,031,895	29,031,895	11,015,100	2,984,900	15,031,895	- - -	29,031,895	14,553,000	3,682,113
8 —	29,202,465	29,202,465	11,015,100	2,984,900	15,202,465	- - -	29,202,465	14,553,000	3,691,119
15 —	28,679,875	28,679,875	11,015,100	2,984,900	14,679,875	- - -	28,679,875	14,553,000	3,161,161
22 —	28,358,955	28,358,955	11,015,100	2,984,900	14,358,955	- - -	28,358,955	14,553,000	3,170,823
29 —	28,658,850	28,658,850	11,015,100	2,984,900	14,658,850	- - -	28,658,850	14,553,000	3,175,493
5 November	29,047,330	29,047,330	11,015,100	2,984,900	15,047,330	- - -	29,047,330	14,553,000	3,184,275
12 —	29,187,175	29,187,175	11,015,100	2,984,900	15,187,175	- - -	29,187,175	14,553,000	3,211,460
19 —	29,150,715	29,150,715	11,015,100	2,984,900	15,150,715	- - -	29,150,715	14,553,000	3,217,322
26 —	28,394,025	28,394,025	11,015,100	2,984,900	14,394,025	- - -	28,394,025	14,553,000	3,184,137
3 December	28,406,590	28,406,590	11,015,100	2,984,900	14,406,590	- - -	28,406,590	14,553,000	3,175,626
10 —	28,620,635	28,620,635	11,015,100	2,984,900	14,620,635	- - -	28,620,635	14,553,000	3,181,817
17 —	28,729,730	28,729,730	11,015,100	2,984,900	14,729,730	- - -	28,729,730	14,553,000	3,189,090
24 —	29,128,435	29,128,435	11,015,100	2,984,900	15,128,435	- - -	29,128,435	14,553,000	3,198,455
31 —	29,180,080	29,180,080	11,015,100	2,984,900	15,180,080	- - -	29,180,080	14,553,000	3,218,826
1854:									
7 January	29,148,800	29,148,800	11,015,100	2,984,900	15,148,800	- - -	29,148,800	14,553,000	3,247,894
14 —	29,383,840	29,383,840	11,015,100	2,984,900	15,383,840	- - -	29,383,840	14,553,000	3,295,813
21 —	29,406,690	29,406,690	11,015,100	2,984,900	15,406,690	- - -	29,406,690	14,553,000	3,333,780
28 —	29,517,025	29,517,025	11,015,100	2,984,900	15,517,025	- - -	29,517,025	14,553,000	3,339,394
4 February	29,523,620	29,523,620	11,015,100	2,984,900	15,523,620	- - -	29,523,620	14,553,000	3,349,523
11 —	29,466,910	29,466,910	11,015,100	2,984,900	15,466,910	- - -	29,466,910	14,553,000	3,440,601
18 —	29,513,220	29,513,220	11,015,100	2,984,900	15,513,220	- - -	29,513,220	14,553,000	3,445,498
25 —	29,515,460	20,515,460	11,015,100	2,984,900	15,515,460	- - -	29,515,460	14,553,000	3,383,249
4 March	29,157,670	29,157,670	11,015,100	2,984,900	15,157,670	- - -	29,157,670	14,553,000	3,713,915
11 —	28,641,070	28,641,070	11,015,100	2,984,900	14,641,070	- - -	28,641,070	14,553,000	3,718,228
18 —	28,062,515	28,062,515	11,015,100	2,984,900	14,062,515	- - -	28,062,515	14,553,000	3,730,877
25 —	27,874,310	27,874,310	11,015,100	2,984,900	13,874,310	- - -	27,874,310	14,553,000	3,744,205
1 April	27,682,495	27,682,495	11,015,100	2,984,900	13,682,495	- - -	27,682,495	14,553,000	3,757,576
8 —	27,379,605	27,379,605	11,015,100	2,984,900	13,379,605	- - -	27,379,605	14,553,000	3,154,657
15 —	26,768,480	26,768,480	11,015,100	2,984,900	12,768,480	- - -	26,768,480	14,553,000	3,160,726
22 —	26,562,010	26,562,010	11,015,100	2,984,900	12,562,010	- - -	26,562,010	14,553,000	3,166,453
29 —	26,188,460	26,188,460	11,015,100	2,984,900	12,188,460	- - -	26,188,460	14,553,000	3,172,183
6 May	25,874,730	25,874,730	11,015,100	2,984,900	11,874,730	- - -	25,874,730	14,553,000	3,204,862
13 —	25,857,270	25,857,270	11,015,100	2,984,900	11,857,270	- - -	25,857,270	14,553,000	3,214,897
20 —	25,779,095	25,779,095	11,015,100	2,984,900	11,779,095	- - -	25,779,095	14,553,000	3,225,731
27 —	26,012,250	26,012,250	11,015,100	2,984,900	12,012,250	- - -	26,012,250	14,553,000	3,227,045

7 & 8 Vict. c. 32 (in continuation of Appendix, No. 5, to the Report from the Select Committee on Commercial Distress, 1848)—*continued.*

BANKING DEPARTMENT.									Weeks ending
Public Deposits.	Other Deposits.	Seven Day and Other Bills.	TOTAL.	Government Securities.	Other Securities.	Notes.	Gold and Silver Coin.	TOTAL.	
£.	£.	£.	£.	£.	£.	£.	£.	£.	1853:
9,266,342	12,993,952	1,384,381	41,311,599	13,961,691	15,875,756	10,960,495	513,657	41,311,599	1 January.
5,771,914	14,310,648	1,489,104	39,301,285	13,870,796	15,025,553	9,809,480	595,456	39,301,285	8 —
4,939,878	13,284,158	1,529,567	37,515,481	13,870,796	14,157,548	9,004,185	482,952	37,515,481	15 —
4,998,754	13,727,637	1,438,699	37,932,296	13,830,407	14,170,745	9,444,265	486,879	37,932,296	22 —
5,235,993	13,066,193	1,440,536	37,514,163	13,800,613	13,654,165	9,511,360	548,025	37,514,163	29 —
5,568,205	12,606,230	1,439,998	37,475,865	13,764,651	13,705,812	9,338,820	666,582	37,475,865	5 February.
6,239,297	12,012,578	1,417,834	37,536,633	13,648,600	13,790,758	9,494,625	602,650	37,536,633	12 —
6,738,059	12,081,941	1,344,913	38,031,022	13,619,393	14,177,702	9,667,595	566,332	38,031,022	19 —
7,062,129	12,397,543	1,355,814	38,615,822	13,488,853	14,926,214	9,662,270	538,485	38,615,822	26 —
7,312,751	12,622,301	1,378,446	39,484,200	13,464,538	15,401,220	10,086,030	532,412	39,484,200	5 March.
7,607,914	13,051,136	1,292,007	40,126,505	13,464,538	15,396,827	10,665,430	599,710	40,126,505	12 —
8,203,555	12,874,698	1,352,498	40,610,116	13,464,538	15,447,272	11,132,095	566,211	40,610,116	19 —
8,468,758	12,721,782	1,351,108	40,725,286	13,464,538	15,931,447	10,790,310	538,991	40,725,286	26 —
8,234,115	12,690,203	1,356,690	40,469,937	13,464,538	16,385,120	10,182,860	437,419	40,469,937	2 April.
4,733,108	14,933,897	1,469,737	38,796,628	13,671,382	14,875,627	9,839,745	409,874	38,796,628	9 —
3,780,216	13,622,968	1,419,595	36,486,250	13,221,382	14,085,037	8,906,720	273,111	36,486,250	16 —
3,712,989	13,206,923	1,412,479	35,999,730	13,221,382	13,632,497	8,584,145	561,706	35,999,730	23 —
3,934,322	12,922,620	1,427,737	35,958,666	13,221,382	13,506,745	8,684,410	546,129	35,958,666	30 —
4,265,469	12,201,614	1,418,032	35,584,924	13,221,382	13,608,166	8,274,395	480,981	35,584,924	7 May.
5,095,691	12,011,402	1,383,202	36,195,041	13,124,653	14,014,176	8,428,220	627,992	36,195,041	14 —
5,815,477	11,953,498	1,326,133	36,804,685	13,124,653	14,368,263	8,734,030	577,739	36,804,685	21 —
5,606,412	11,935,583	1,303,685	36,508,884	13,124,653	14,021,714	8,871,860	490,657	36,508,884	28 —
4,635,454	12,902,839	1,390,023	36,587,511	13,124,653	14,632,359	8,366,970	463,529	36,587,511	4 June.
3,737,044	14,033,701	1,332,238	36,767,577	13,124,910	14,246,232	8,907,985	488,450	36,767,577	11 —
4,615,831	13,174,519	1,307,045	36,764,927	13,123,910	13,700,971	9,420,215	519,831	36,764,927	18 —
5,532,113	12,332,410	1,323,594	36,857,128	13,118,010	13,705,389	9,563,325	470,404	36,857,128	25 —
5,615,362	12,504,620	1,372,642	37,195,413	13,116,997	14,372,331	9,204,260	501,825	37,195,413	2 July.
3,953,330	13,508,613	1,409,150	36,634,230	14,497,333	13,680,203	8,101,820	354,874	36,634,230	9 —
2,332,814	13,422,004	1,408,893	34,956,931	13,757,333	13,064,310	7,661,795	473,493	34,956,931	16 —
1,849,658	13,179,838	1,466,458	34,292,535	13,537,333	12,553,013	7,832,995	369,194	34,292,535	23 —
2,175,265	12,755,038	1,458,357	34,190,363	13,337,333	12,466,213	7,970,510	416,307	34,190,363	30 —
2,218,227	12,475,528	1,576,361	34,165,799	13,027,333	13,226,701	7,529,440	382,325	34,165,799	6 August.
3,315,392	12,190,020	1,446,224	34,848,862	13,027,582	13,611,721	7,863,225	346,334	34,848,862	13 August.
4,063,046	11,623,583	1,482,038	35,073,515	13,027,582	13,876,950	7,644,880	524,103	35,073,515	20 —
4,601,685	11,133,356	1,465,549	35,045,030	13,027,582	13,830,835	7,755,345	431,268	35,045,030	27 —
4,701,598	11,017,313	1,447,059	35,353,493	12,773,176	14,546,194	7,696,695	337,428	35,353,493	3 September.
5,251,010	10,862,058	1,420,788	35,728,564	12,767,018	14,957,874	7,669,090	334,582	35,728,564	10 —
6,007,833	11,053,973	1,435,982	36,709,053	12,527,893	16,740,682	6,977,155	463,323	36,709,053	17 —
6,712,265	10,839,185	1,457,613	37,227,644	12,339,083	17,143,223	7,130,435	614,903	37,227,644	24 —
6,738,755	11,885,565	1,443,636	38,303,069	12,339,083	19,124,799	6,258,520	580,667	38,303,069	1 October.
6,857,398	11,633,687	1,453,952	38,189,156	12,339,083	18,941,549	6,361,900	546,624	38,189,156	8 —
3,700,859	12,664,226	1,405,093	35,484,339	12,455,161	17,425,089	5,012,490	591,599	35,484,339	15 —
2,903,045	12,390,653	1,371,064	34,388,585	11,319,072	17,254,452	5,213,810	601,251	34,388,585	22 —
3,628,809	12,322,678	1,357,396	35,037,376	11,498,152	17,255,890	5,671,500	611,834	35,037,376	29 —
4,077,159	12,171,032	1,314,485	35,299,951	11,498,152	16,749,699	6,419,885	632,215	35,299,951	5 November.
5,009,222	11,781,769	1,317,931	35,873,382	11,766,243	16,432,451	7,005,750	668,938	35,873,382	12 —
6,034,154	11,632,208	1,259,013	36,695,697	12,477,425	15,989,650	7,559,980	668,642	36,695,697	19 —
7,534,179	11,012,432	1,267,037	37,550,785	13,489,037	16,315,862	7,049,825	696,061	37,550,785	26 —
7,659,924	11,480,162	1,226,912	38,095,624	13,622,039	16,586,818	7,200,790	685,977	38,095,624	3 December.
10,027,166	10,910,077	1,192,741	39,864,801	15,043,730	16,525,237	7,575,175	720,659	39,864,801	10 —
10,492,686	10,699,684	1,183,916	40,118,376	15,043,730	16,237,015	8,124,105	713,526	40,118,376	17 —
11,157,724	10,607,922	1,179,166	40,696,267	15,043,730	16,643,651	8,318,280	690,606	40,696,267	24 —
11,409,933	11,041,049	1,172,684	41,395,492	15,044,330	17,576,123	8,102,220	672,819	41,395,492	31 —
									1854:
8,291,993	12,744,634	1,215,059	40,052,580	14,833,299	16,736,409	7,800,600	682,272	40,052,580	7 January.
3,213,993	14,140,492	1,232,329	36,435,627	13,644,025	14,663,295	7,443,015	685,292	36,435,627	14 —
2,646,783	13,894,599	1,232,096	35,660,258	13,537,638	14,297,849	7,135,195	689,576	35,660,258	21 —
2,515,384	13,486,234	1,202,155	35,096,167	13,232,716	13,988,622	7,168,640	706,189	35,096,167	28 —
2,121,718	12,608,926	1,144,582	33,777,749	12,537,716	13,570,465	6,966,505	703,063	33,777,749	4 February.
1,981,907	12,357,045	1,119,351	33,451,904	11,941,666	13,415,280	7,358,340	736,618	33,451,904	11 —
2,440,107	12,177,209	1,086,779	33,702,593	11,757,704	13,346,376	7,858,420	740,093	33,702,593	18 —
2,722,345	11,830,574	1,102,638	33,591,806	11,757,704	13,247,442	7,815,955	770,705	33,591,806	25 —
2,741,851	11,244,639	1,090,924	33,344,329	11,751,555	13,241,821	7,599,720	751,233	33,344,329	4 March.
2,899,597	10,887,396	1,126,432	33,184,653	11,747,728	13,054,655	7,626,655	755,615	33,184,653	11 —
3,678,817	11,305,383	1,128,507	34,396,584	11,844,700	14,512,895	7,278,665	760,324	34,396,584	18 —
4,423,827	11,092,226	1,124,969	34,938,227	11,792,116	15,757,604	6,633,535	754,972	34,938,227	25 —
4,445,788	11,037,153	1,102,303	34,895,820	11,607,616	16,522,726	5,998,255	767,223	34,895,820	1 April.
2,683,754	13,819,988	1,177,753	35,389,152	13,939,132	15,720,271	4,968,755	760,994	35,389,152	8 —
1,765,364	12,795,201	1,196,079	33,470,370	13,686,596	14,763,256	4,278,125	742,393	33,470,370	15 —
1,767,723	12,053,525	1,189,099	32,729,800	13,349,067	14,336,835	4,291,815	752,083	32,729,800	22 —
2,018,493	11,316,805	1,126,996	32,187,477	13,080,679	14,438,192	3,941,140	727,466	32,187,477	29 —
2,338,822	10,688,531	1,164,631	31,949,846	12,566,607	14,749,460	3,900,430	733,349	31,949,846	6 May.
2,748,437	10,587,010	1,111,563	32,214,907	11,625,492	15,144,039	4,713,280	732,096	32,214,907	13 —
2,671,551	10,146,428	1,069,784	31,666,494	10,403,309	15,425,281	5,100,030	734,874	31,666,494	20 —
2,429,944	10,283,180	1,026,415	31,579,584	9,856,309	15,441,966	5,552,710	728,599	31,579,584	27 —

(continued)

AN ACCOUNT of Notes, Securities, Bullion, &c., of the Bank of *England*, as published Weekly in the "Gazette," according to the Act

Weeks ending	ISSUE DEPARTMENT.								
	Notes Issued.	TOTAL.	Government Debt.	Other Securities.	Gold Coin and Bullion.	Silver Bullion.	TOTAL.	Proprietors' Capital.	Rest.
1854—*cont*^{d}.	£.	£.	£.	£.	£.	£.	£.	£.	£.
3 June	26,006,875	26,006,875	11,015,100	2,984,900	12,006,875	- - -	26,006,875	14,553,000	3,180,665
10 —	25,981,750	25,981,750	11,015,100	2,984,900	11,981,750	- - -	25,981,750	14,553,000	3,187,682
17 —	26,373,255	26,373,255	11,015,100	2,984,900	12,373,255	- - -	26,373,255	14,553,000	3,194,253
24 —	27,132,635	27,132,635	11,015,100	2,984,900	13,132,635	- - -	27,132,635	14,553,000	3,202,523
1 July	27,483,985	27,483,985	11,015,100	2,984,900	13,483,985	- - -	27,483,985	14,553,000	3,229,791
8 —	27,298,660	27,298,660	11,015,100	2,984,900	13,298,660	- - -	27,298,660	14,553,000	3,265,820
15 —	27,085,945	27,085,945	11,015,100	2,984,900	13,085,945	- - -	27,085,945	14,553,000	3,309,129
22 —	26,901,010	26,901,010	11,015,100	2,984,900	12,901,010	- - -	26,901,010	14,553,000	3,328,532
29 —	26,771,780	26,771,780	11,015,100	2,984,900	12,771,780	- - -	26,771,780	14,553,000	3,335,739
5 August	26,593,700	26,593,700	11,015,100	2,984,900	12,593,700	- - -	26,593,700	14,553,000	3,429,748
12 —	26,833,350	26,833,350	11,015,100	2,984,900	12,833,350	- - -	26,833,350	14,553,000	3,438,416
19 —	27,002,755	27,002,755	11,015,100	2,984,900	13,002,755	- - -	27,002,755	14,553,000	3,450,375
26 —	26,943,695	26,943,695	11,015,100	2,984,900	12,943,695	- - -	26,943,695	14,553,000	3,395,210
2 September	26,688,250	26,688,250	11,015,100	2,984,900	12,688,250	- - -	26,688,250	14,553,000	3,689,563
9 —	26,630,110	26,630,110	11,015,100	2,984,900	12,630,110	- - -	26,630,110	14,553,000	3,694,814
16 —	26,632,810	26,632,810	11,015,100	2,984,900	12,632,810	- - -	26,632,810	14,553,000	3,703,852
23 —	26,589,730	26,589,730	11,015,100	2,984,900	12,589,730	- - -	26,589,730	14,553,000	3,710,358
30 —	26,464,300	26,464,300	11,015,100	2,984,900	12,464,300	- - -	26,464,300	14,553,000	3,719,493
7 October	26,350,030	26,350,030	11,015,100	2,984,900	12,350,030	- - -	26,350,030	14,553,000	3,728,625
14 —	26,333,410	26,333,410	11,015,100	2,984,900	12,333,410	- - -	26,333,410	14,553,000	3,117,968
21 —	26,818,125	26,818,125	11,015,100	2,984,900	12,818,125	- - -	26,818,125	14,553,000	3,125,834
28 —	27,022,310	27,022,310	11,015,100	2,984,900	13,022,310	- - -	27,022,310	14,553,000	3,132,547
4 November	26,969,950	26,969,950	11,015,100	2,984,900	12,969,950	- - -	26,969,950	14,553,000	3,136,875
11 —	26,999,380	26,999,380	11,015,100	2,984,900	12,999,380	- - -	26,999,380	14,553,000	3,166,072
18 —	26,852,420	26,852,420	11,015,100	2,984,900	12,852,420	- - -	26,852,420	14,553,000	3,172,364
25 —	27,102,620	27,102,620	11,015,100	2,984,900	13,102,620	- - -	27,102,620	14,553,000	3,176,199
2 December	27,244,460	27,244,460	11,015,100	2,984,900	13,244,460	- - -	27,244,460	14,553,000	3,121,642
9 —	27,334,415	27,334,415	11,015,100	2,984,900	13,334,415	- - -	27,334,415	14,553,000	3,124,711
16 —	27,369,845	27,369,845	11,015,100	2,984,900	13,369,845	- - -	27,369,845	14,553,000	3,132,039
23 —	27,478,185	27,478,185	11,015,100	2,984,900	13,478,185	- - -	27,478,185	14,553,000	3,140,652
30 —	27,180,835	27,180,835	11,015,100	2,984,900	13,180,835	- - -	27,180,835	14,553,000	3,152,753
1855:									
6 January	26,988,455	26,988,455	11,015,100	2,984,900	12,988,455	- - -	26,988,455	14,553,000	3,191,567
13 —	25,880,560	25,880,560	11,015,100	2,984,900	11,880,560	- - -	25,880,560	14,553,000	3,228,009
20 —	25,509,215	25,509,215	11,015,100	2,984,900	11,509,215	- - -	25,509,215	14,553,000	3,259,537
27 —	25,671,565	25,671,565	11,015,100	2,984,900	11,671,565	- - -	25,671,565	14,553,000	3,268,316
3 February	26,092,565	26,092,565	11,015,100	2,984,900	12,092,565	- - -	26,092,565	14,553,000	3,266,198
10 —	26,063,365	26,063,365	11,015,100	2,984,900	12,063,365	- - -	26,063,365	14,553,000	3,332,550
17 —	26,313,230	26,313,230	11,015,140	2,984,900	12,313,230	- - -	26,313,230	14,553,000	3,335,840
24 —	26,362,055	26,362,055	11,015,100	2,984,900	12,362,055	- - -	26,362,055	14,553,000	3,303,241
3 March	26,512,985	26,512,985	11,015,100	2,984,900	12,512,985	- - -	26,512,985	14,553,000	3,634,524
10 —	26,911,880	26,911,880	11,015,100	2,984,900	12,911,880	- - -	26,911,880	14,553,000	3,639,849
17 —	27,479,975	27,479,975	11,015,100	2,984,900	13,479,975	- - -	27,479,975	14,553,000	3,644,317
24 —	28,186,880	28,186,880	11,015,100	2,984,900	14,186,880	- - -	28,186,880	14,553,000	3,649,414
31 —	28,510,230	28,510,230	11,015,100	2,984,900	14,510,230	- - -	28,510,230	14,553,000	3,653,450
7 April	28,392,500	28,392,500	11,015,100	2,984,900	14,392,500	- - -	28,392,500	14,553,000	3,085,593
14 —	28,351,365	28,351,365	11,015,100	2,984,900	14,351,365	- - -	28,351,365	14,553,000	3,123,446
21 —	28,372,290	28,372,290	11,015,100	2,984,900	14,372,290	- - -	28,372,290	14,553,000	3,127,862
28 —	28,791,785	28,791,785	11,015,100	2,984,900	14,791,785	- - -	28,791,785	14,553,000	3,131,759
5 May	28,911,030	28,911,030	11,015,100	2,984,900	14,911,030	- - -	28,911,030	14,553,000	3,136,435
12 —	29,336,510	29,336,510	11,015,100	2,984,900	15,336,510	- - -	29,336,510	14,553,000	3,165,785
19 —	29,902,550	29,902,550	11,015,100	2,984,900	15,902,550	- - -	29,902,550	14,553,000	3,170,300
26 —	30,337,685	30,337,685	11,015,100	2,984,900	16,337,685	- - -	30,337,685	14,553,000	3,172,157
2 June	31,083,175	31,083,175	11,015,100	2,984,900	17,083,175	- - -	31,083,175	14,553,000	3,112,943
9 —	31,056,945	31,056,945	11,015,100	2,984,900	17,056,945	- - -	31,056,945	14,553,000	3,114,923
16 —	31,350,395	31,350,395	11,015,100	2,984,900	17,350,395	- - -	31,350,395	14,553,000	3,123,055
23 —	31,429,435	31,429,435	11,015,100	2,984,900	17,429,435	- - -	31,429,435	14,553,000	3,126,279
30 —	31,305,070	31,305,070	11,015,100	2,984,900	17,305,070	- - -	31,305,070	14,553,000	3,140,067
7 July	30,895,085	30,895,085	11,015,100	2,984,900	16,895,085	- - -	30,895,085	14,553,000	3,177,665
14 —	30,631,890	30,631,890	11,015,100	2,984,900	16,631,890	- - -	30,631,890	14,553,000	3,221,280
21 —	29,980,810	29,980,810	11,015,100	2,984,900	15,980,810	- - -	29,980,810	14,553,000	3,252,303
28 —	29,745,990	29,745,990	11,015,100	2,984,900	15,745,990	- - -	29,745,990	14,553,000	3,256,786
4 August	29,601,590	29,601,590	11,015,100	2,984,900	15,601,590	- - -	29,601,590	14,553,000	3,350,872
11 —	29,650,275	29,650,275	11,015,100	2,984,900	15,650,275	- - -	29,650,275	14,553,000	3,360,660
18 —	29,506,690	29,506,690	11,015,100	2,984,900	15,506,690	- - -	29,506,690	14,553,000	3,369,751
25 —	28,916,770	28,916,770	11,015,100	2,984,900	14,916,770	- - -	28,916,770	14,553,000	3,327,349
1 September	28,368,010	28,368,010	11,015,100	2,984,900	14,368,010	- - -	28,368,010	14,553,000	3,628,723
8 —	27,668,005	27,668,005	11,015,100	2,984,900	13,668,005	- - -	27,668,005	14,553,000	3,637,340
15 —	27,110,270	27,110,270	11,015,100	2,984,900	13,110,270	- - -	27,110,270	14,553,000	3,644,704
22 —	26,695,250	26,695,250	11,015,100	2,984,900	12,695,250	- - -	26,695,250	14,553,000	3,657,207
29 —	26,368,255	26,368,255	11,015,100	2,984,900	12,368,255	- - -	26,368,255	14,553,000	3,670,125
6 October	25,765,025	25,765,025	11,015,100	2,984,900	11,765,025	- - -	25,765,025	14,553,000	3,682,448
13 —	25,205,855	25,205,855	11,015,100	2,984,900	11,205,855	- - -	25,205,855	14,553,000	3,147,899
20 —	24,682,230	24,682,230	11,015,100	2,984,900	10,682,230	- - -	24,682,230	14,553,000	3,161,093
27 —	24,698,460	24,698,460	11,015,100	2,984,900	10,698,460	- - -	24,698,460	14,553,000	3,170,726

7 & 8 Vict. c. 32 (in continuation of Appendix, No. 5, to the Report from the Select Committee on Commercial Distress, 1848)—*continued.*

BANKING DEPARTMENT.

Public Deposits.	Other Deposits.	Seven Day and Other Bills.	TOTAL.	Government Securities.	Other Securities.	Notes.	Gold and Silver Coin.	TOTAL.	Weeks ending
£.	£.	£.	£.	£.	£.	£.	£.	£.	1854—*cont^d.*
2,557,654	10,212,244	1,057,090	31,560,653	9,856,309	15,494,525	5,466,545	743,274	31,560,653	3 June.
2,993,668	10,483,130	1,020.893	32,238,373	10,024,481	15,799,944	5,667,645	746,303	32,238,373	10 —
3,212,382	10,513,491	1,030,412	32,503,538	9,720,499	15,374,237	6,672,080	736,122	32,503,538	17 —
4,852,805	10,114,383	968,286	33,690,997	9,851,250	15,584,007	7,518,400	737,340	33,690,997	24 —
5,315,198	11,119,344	982,681	35,200,014	10,332,795	16,750,401	7,385,205	731,613	35,200,014	1 July.
4,948,822	12,571,329	1,058,431	36,397,402	12,977,237	15,920,198	6,777,420	722,547	36,397,402	8 —
3,207,955	11,655.973	1,120,013	33,846,070	12,470,237	14,234,926	6,402,980	737,927	33,846,070	15 —
2,958,785	11,609,399	1,057,234	32,606,950	11,810,383	13,819,415	6,244,485	732,667	32,606,950	22 —
2,302,361	11,124,260	1,039,720	32,355,080	11,775,383	13,610,093	6,257,060	712,544	32,355,080	29 —
2,347,590	10,609,668	1,056,359	31,996,365	11,360,383	13,638,937	6,291,235	705,810	31,996,365	5 August.
2,990,274	10,153.899	1,043,799	32,179,388	10,680,493	14,101,584	6,668,840	728,471	32,179,388	12 —
3,891,195	10,380,618	1,074,839	33,350,027	11,030,873	14,740,797	6,879,820	698,537	33,350,027	19 —
3,974,574	9,975,033	1,060,180	32,957,997	10,969,279	14,400,809	6,896,180	691,729	32,957,997	26 —
3,996,427	10,402,859	1,032,899	33,674,748	10,980,029	15,178,013	6,836,585	680,121	33,674,748	2 September.
4,342,706	9,766,245	1,059,551	33,416,316	10,996,955	14,719,492	7,008,160	691,709	33,416,316	9 —
4,985,233	9,780,712	1,023,575	34,046,372	10,996,955	15,353,432	7,049,425	646,560	34,046,372	16 —
5,363,572	9,768,357	1,021,395	34,416,682	10,996,955	15,487,091	7,293,480	639,156	34,416,682	23 —
5,786,582	9,924,277	1,030,651	35,014,003	11,006,210	16,912,843	6,499,380	595,570	35,014,003	30 —
5,766,035	9,598,807	1,059,737	34,706,234	11,015,466	16,677,317	6,391,015	622,436	34,706,234	7 October.
2,554,622	11,216,564	1,079,986	32,522,140	11,079,038	15,116,462	5,755,445	571,195	32,522,140	14 —
1,893,487	11,702,867	1,115,006	32,390,194	11,113,273	14,742,463	5,946,605	587,853	32,390,194	21 —
1,905,513	11,441,511	1,130,644	32,163,215	10,960,762	14,556,912	6,086,425	559,116	32,163,215	28 —
2,858,100	10,932,023	1,120,999	32,600,997	11,524,492	14,155.089	6,366,340	555,076	32,600,997	4 November.
3,525,577	10,243,333	1,114,875	32,602,857	11,413,016	13,899,081	6,710,345	580,415	32,602,857	11 —
4,465,918	9,685,004	1,070,665	32,946,951	11,429,871	13,850,566	7,024,150	642,364	32,946,951	18 —
4,782,390	9,715,309	1,044,770	33,271,668	11,461,703	13,850,146	7,352,645	607,174	33,271,668	25 —
4,994,893	9,759,246	1,052,658	33,481,439	11,517,738	13,710,468	7,627,670	625,563	33,481,439	2 December.
5,545,408	9,691,373	1,022,107	33,936,599	11,604,267	13,732,473	7,928,830	671,029	33,936,599	9 —
6,035,675	9,710,512	993,112	34,424,338	11,565,237	13,869,287	8,330,780	659,034	34,424,338	16 —
6,560,414	10,000,957	938,622	35,202,645	11,669,583	14,581,403	8,352,740	658,919	35,202,645	23 —
6,695,436	10,558,387	892,118	35,851,694	11,611,553	15,806,634	7,779,685	653,822	35,851,694	30 —
									1855:
6,391,361	9,981,364	961,420	35,078,712	11,611,800	15,481,228	7,306,755	678,929	35,078,712	6 January.
2,294,292	10,842,702	1,271,406	32,189,409	11,731,427	14,035,963	5,763,465	658,554	32,189,409	13 —
2,257,127	10,842,228	1,039,613	31,951,505	11,637,721	14,196,909	5,463,595	653,280	31,951,505	20 —
2,897,554	10,698,258	1,003,540	32,420,668	11,528,652	14,320,311	5,888,590	683,115	32,420,668	27 —
3,740,512	10,583,727	958,820	33,102,257	11,538,652	14,590,176	6,266,370	707,059	33,102,257	3 February.
4,463,869	10,047,316	958,691	33,355,426	11,558,652	14,566,989	6,535,390	694,395	33,355,426	10 —
4,898,602	10,174,871	894,885	33,857,198	11,538,227	14,584,340	7,067,075	667,556	33,857,198	17 —
4,855,455	10,449,182	883,850	34,044,728	11,539,540	14,522,432	7,300,185	682,571	34,044,728	24 —
5,033,184	10,607,057	903,059	34,730,824	11,626,463	15,012,782	7,414,730	676,849	34,730,824	3 March.
4,828,237	11,149,103	906,730	35,076,919	11,542,385	14,880,844	7,944,050	709,640	35,076,919	10 —
5,077,843	11,155,862	891,692	35,322,714	11,583,885	14,521,596	8,495,965	721,268	35,322,714	17 —
5,539,467	11,146,540	835,583	35,724,004	11,581,067	14,279,061	9,129,110	734,766	35,724,004	24 —
5,384,834	10,932,629	866,312	35,390,225	11,581.067	14,091,941	9,021,920	695,297	35,390,225	31 —
6,008,895	11,396,875	904,839	35,940,202	13,026,749	13,655,995	8,580,140	686,318	35,940,202	7 April.
2,720,640	14,233,796	947,721	35,578,603	13,673,713	13,266,068	7,967,535	671,287	35,578,603	14 —
4,450,664	13,019,567	928,357	36,079,450	14,274,373	13,032,442	8,089,425	683,210	36,079,450	21 —
4,468,013	13,173,482	972,072	36,298,326	14,214,373	12,944,224	8,432,105	707,624	36,298,326	28 —
4,337,590	12,645,651	1,090,536	35,763,212	13,591,373	12,721,050	8,742,600	708,189	35,763,212	5 May.
2,733,908	12,205,207	1,028,140	33,686,040	11,016,374	12,543,800	9,417,175	708,691	33,686,040	12 —
3,358,272	12,230,771	991,720	34,304,063	10,823,132	12,455,155	10,280,610	745,166	34,304,063	19 —
5,196,161	11,932,316	1,020,359	35,873,993	12,110,721	12,315,806	10,720,370	727,096	35,873,993	26 —
5,211,168	13,282,876	985,884	37,145,871	12,677,816	12,419,158	11,342,970	705,927	37,145,871	2 June.
5,447,207	13,168,985	1,036,692	37,320,807	12,702,488	12,305,431	11,605,775	707,113	37,320,807	9 —
5,586,754	13,307,714	1,034,770	37,605,293	12,681,068	12,399,704	11,814,200	710,321	37,605,293	16 —
6,486,685	13,224,470	986,492	38,376,926	12,896,068	12,853,957	11,887,310	739,591	38,376,926	23 —
6,146,999	13,434,749	971,726	38,246,541	12,896,068	13,497,443	11,139,525	713,505	38,246,541	30 —
6,852,350	12,586,891	1,017,440	38,187,346	13,757,224	13,328,806	10,412,335	688,981	38,187,346	7 July.
2,811,014	15,048,543	1,054,212	36,688,049	13,656,190	12,681,833	9,653,020	697,006	36,688,049	14 —
3,178,033	13,604,199	1,061,838	35,649,373	13,071,978	12,706,108	9,207,945	663,342	35,649,373	21 —
4,221,408	11,883,528	1,511,615	35,426,337	13,092,528	12,913,262	8,781,145	639,402	35,426,337	28 —
5,152,221	11,857,328	1,052,978	35,966,399	12,851,030	13,592,925	8,892,300	630,144	35,966,399	4 August.
6,266,890	11,604,444	1,003,187	36,788,181	12,766,624	14,239,692	9,156,845	625,020	36,788,181	11 —
6,407,739	12,250,406	1,012,112	37,593,008	12,810,164	14,943,006	9,229,550	610,288	37,593,008	18 —
6,071,825	11,674,829	997,165	37,524,168	13,025,164	14,995,232	8,874,555	629,217	37,524,168	25 —
7,267,969	11,098,018	979,851	37,527,561	13,031,088	15,661,985	8,263,380	571,108	37,527,561	1 September.
7,591,337	10,970,353	991,556	37,743,586	13,031,088	16,637,227	7,525,900	549,371	37,743,586	8 —
7,838,531	11,146,762	990,140	38,173,137	12,799,368	17,338,784	7,396,800	588,185	38,173,137	15 —
8,389,892	11,266,877	1,000,541	38,867,517	12,498,067	18,509,278	7,286,815	573,357	38,867,517	22 —
8,144,209	11,437,955	1,001,743	38,807,032	12,125,026	19,915,763	6,195,570	570,673	38,807,032	29 —
7,106,524	10,837,643	1,012,547	37,192,162	11,413,143	19,791,293	5,473,470	514,256	37,192,162	6 October.
4,359,851	11,905,925	973,867	34,940,542	10,556,040	19,280,446	4,557,490	546,566	34,940,542	13 —
3,825,021	11,764,080	980,139	34,283,333	10,635,359	18,789,512	4,310,485	547,977	34,283,333	20 —
3,700,844	11,327,321	979,129	33,731,020	10,328,955	18,534,600	4,262,560	604,905	33,731,020	27 —

An Account of Notes, Securities, Bullion, &c., of the Bank of *England*, as published Weekly in the "Gazette," according to the Act

Weeks ending	ISSUE DEPARTMENT.								
	Notes Issued.	TOTAL.	Government Debt.	Other Securities.	Gold Coin and Bullion.	Silver Bullion.	TOTAL.	Proprietors' Capital.	Rest.
1855—*cont^d.*	£.	£.	£.	£.	£.	£.	£.	£.	£.
3 November	24,741,320	24,741,320	11,015,100	2,984,900	10,741,320	- - -	24,741,320	14,553,000	3,178,169
10 —	24,646,295	24,646,295	11,015,100	2,984,900	10,646,295	- - -	24,646,295	14,553,000	3,208,583
17 —	24,661,760	24,661,760	11,015,100	2,984,900	10,661,760	- - -	24,661,760	14,553,000	3,220,897
24 —	24,543,545	24,543,545	11,015,100	2,984,900	10,543,545	- - -	24,543,545	14,553,000	3,236,502
1 December	24,580,570	24,580,570	11,015,100	2,984,900	10,580,570	- - -	24,580,570	14,553,000	3,185,588
8 —	24,439,525	24,439,525	11,015,100	2,984,900	10,439,525	- - -	24,439,525	14,553,000	3,193,028
15 —	25,137,985	25,137,985	11,015,100	3,459,900	10,662,985	- - -	25,137,985	14,553,000	3,205,482
22 —	24,844,595	24,844,595	11,015,100	3,459,900	10,369,595	- - -	24,844,595	14,553,000	3,219,877
29 —	24,664,465	24,664,465	11,015,100	3,459,900	10,189,465	- - -	24,664,465	14,553,000	3,235,328
1856:									
5 January	24,421,180	24,421,180	11,015,100	3,459,900	9,946,180	- - -	24,421,180	14,553,000	3,285,323
12 —	24,274,305	24,274,305	11,015,100	3,459,900	9,799,305	- - -	24,274,305	14,553,000	3,330,673
19 —	24,283,870	24,283,870	11,015,100	3,459,900	9,808,870	- - -	24,283,870	14,553,000	3,365,212
26 —	24,173,580	24,173,580	11,015,100	3,459,900	9,698,580	- - -	24,173,580	14,553,000	3,376,632
2 February	24,532,620	24,532,620	11,015,100	3,459,900	10,057,620	- - -	24,532,620	14,553,000	3,410,082
9 —	24,407,875	24,407,875	11,015,100	3,459,900	9,932,875	- - -	24,407,875	14,553,000	3,492,520
16 —	24,367,835	24,367,835	11,015,100	3,459,900	9,892,835	- - -	24,367,835	14,553,000	3,505,653
23 —	24,390,330	24,390,330	11,015,100	3,459,900	9,915,330	- - -	24,390,330	14,553,000	3,470,046
1 March	24,428,230	24,428,230	11,015,100	3,459,900	9,953,230	- - -	24,428,230	14,553,000	3,779,752
8 —	24,384,620	24,384,620	11,015,100	3,459,900	9,909,620	- - -	24,384,620	14,553,000	3,792,570
15 —	24,378,095	24,378,095	11,015,100	3,459,900	9,903,095	- - -	24,378,095	14,553,000	3,805,380
22 —	24,221,825	24,221,825	11,015,100	3,459,900	9,746,825	- - -	24,221,825	14,553,000	3,813,664
29 —	24,306,970	24,306,970	11,015,100	3,459,900	9,831,970	- - -	24,306,970	14,553,000	3,827,865
5 April	23,915,280	23,915,280	11,015,100	3,459,900	9,440,280	- - -	23,915,280	14,553,000	3,840,005
12 —	23,905,130	23,905,130	11,015,100	3,459,900	9,430,130	- - -	23,905,130	14,553,000	3,156,745
19 —	23,683,205	23,683,205	11,015,100	3,459,900	9,208,205	- - -	23,683,205	14,553,000	3,167,890
26 —	23,556,675	23,556,675	11,015,100	3,459,900	9,081,675	- - -	23,556,675	14,553,000	3,175,991
3 May	23,656,440	23,656,440	11,015,100	3,459,900	9,181,440	- - -	23,656,440	14,553,000	3,207,670
10 —	23,633,820	23,633,820	11,015,100	3,459,900	9,158,820	- - -	23,633,820	14,553,000	3,233,367
17 —	23,673,615	23,673,615	11,015,100	3,459,900	9,198,615	- - -	23,673,615	14,553,000	3,246,963
24 —	24,413,875	24,413,875	11,015,100	3,459,900	9,938,875	- - -	24,413,875	14,553,000	3,254,763
31 —	25,241,040	25,241,040	11,015,100	3,459,900	10,766,040	- - -	25,241,040	14,553,000	3,201,190
7 June	25,532,095	25,532,095	11,015,100	3,459,900	11,057,095	- - -	25,532,095	14,553,000	3,209,246
14 —	25,912,210	25,912,210	11,015,100	3,459,900	11,437,210	- - -	25,912,210	14,553,000	3,214,987
21 —	26,237,940	26,237,940	11,015,100	3,459,900	11,762,940	- - -	26,237,940	14,553,000	3,231,001
28 —	26,903,970	26,903,970	11,015,100	3,459,900	12,428,970	- - -	26,903,970	14,553,000	3,248,455
5 July	26,499,365	26,499,365	11,015,100	3,459,900	12,024,365	- - -	26,499,365	14,553,000	3,284,962
12 —	26,273,605	26,273,605	11,015,100	3,459,900	11,798,605	- - -	26,273,605	14,553,000	3,320,532
19 —	26,183,930	26,183,930	11,015,100	3,459,900	11,708,930	- - -	26,183,930	14,553,000	3,347,460
26 —	26,250,875	26,250,875	11,015,100	3,459,900	11,775,875	- - -	26,250,875	14,553,000	3,351,951
2 August	26,271,095	26,271,095	11,015,100	3,459,900	11,796,095	- - -	26,271,095	14,553,000	3,364,781
9 —	26,307,590	26,307,590	11,015,100	3,459,900	11,832,590	- - -	26,307,590	14,553,000	3,456,786
16 —	26,279,730	26,279,730	11,015,100	3,459,900	11,804,730	- - -	26,279,730	14,553,000	3,458,690
23 —	26,226,795	26,226,795	11,015,100	3,459,900	11,751,795	- - -	26,226,795	14,553,000	3,416,323
30 —	26,188,315	26,188,315	11,015,100	3,459,900	11,713,315	- - -	26,188,315	14,553,000	3,688,406
6 September	26,001,765	26,001,765	11,015,100	3,459,900	11,526,765	- - -	26,001,765	14,553,000	3,717,742
13 —	25,962,415	25,962,415	11,015,100	3,459,900	11,487,415	- - -	25,962,415	14,553,000	3,730,817
20 —	26,015,080	26,015,080	11,015,100	3,459,900	11,540,080	- - -	26,015,080	14,553,000	3,743,895
27 —	25,603,940	25,603,940	11,015,100	3,459,900	11,128,940	- - -	25,603,940	14,553,000	3,754,416
4 October	24,701,745	24,701,745	11,015,100	3,459,900	10,226,745	- - -	24,701,745	14,553,000	3,785,488
11 —	24,064,400	24,064,400	11,015,100	3,459,900	9,589,400	- - -	24,064,400	14,553,000	3,138,475
18 —	23,706,185	23,706,185	11,015,100	3,459,900	9,231,185	- - -	23,706,185	14,553,000	3,178,019
25 —	23,538,205	23,538,205	11,015,100	3,459,900	9,063,205	- - -	23,538,205	14,553,000	3,187,405
1 November	23,480,070	23,480,070	11,015,100	3,459,900	9,005,070	- - -	23,480,070	14,553,000	3,199,836
8 —	23,389,805	23,389,805	11,015,100	3,459,900	8,914,805	- - -	23,389,805	14,553,000	3,237,423
15 —	23,536,235	23,536,235	11,015,100	3,459,900	9,061,235	- - -	23,536,235	14,553,000	3,254,649
22 —	23,761,025	23,761,025	11,015,100	3,459,900	9,286,025	- - -	23,761,025	14,553,000	3,263,571
29 —	24,269,930	24,269,930	11,015,100	3,459,900	9,794,930	- - -	24,269,930	14,553,000	3,205,524
6 December	24,346,520	24,346,520	11,015,100	3,459,900	9,871,520	- - -	24,346,520	14,553,000	3,215,736
13 —	24,525,995	24,525,995	11,015,100	3,459,900	10,050,995	- - -	24,525,995	14,553,000	3,226,673
20 —	24,376,930	24,376,930	11,015,100	3,459,900	9,901,930	- - -	24,376,930	14,553,000	3,240,390
27 —	24,112,390	24,112,390	11,015,100	3,459,900	9,637,390	- - -	24,112,390	14,553,000	3,253,510

Bank of England,
25 February 1857.

7 & 8 Vict. c. 32 (in continuation of Appendix, No. 5, to the Report from the Select Committee on Commercial Distress, 1848)—*continued.*

BANKING DEPARTMENT.

Public Deposits.	Other Deposits.	Seven Day and Other Bills.	TOTAL.	Government Securities.	Other Securities.	Notes.	Gold and Silver Coin.	TOTAL.	Weeks ending
£.	£.	£.	£.	£.	£.	£.	£.	£.	1855—*cont^d.*
3,369,984	11,694,200	964,250	33,759,603	10,201,276	18,355,548	4,644,465	558,314	33,759,603	3 November.
3,605,358	11,166,069	942,750	33,475,760	10,124,848	17,879,564	4,883,205	588,143	33,475,760	10 —
4,110,130	10,886,746	982,219	33,752,992	10,124,848	17,787,150	5,239,530	601,464	33,752,992	17 —
4,798,954	11,529,385	962,483	35,080,324	10,339,848	18,651,439	5,492,645	596,392	35,080,324	24 —
4,439,589	12,234,788	883,294	35,296,259	10,275,480	18,868,757	5,505,485	646,537	35,296,259	1 December.
4,416,231	11,719,180	923,444	34,804,883	10,264,376	18,141,269	5,759,185	640,053	34,804,883	8 —
4,428,440	12,322,462	840,731	35,350,115	9,789,376	18,360,761	6,556,625	643,353	35,350,115	15 —
5,344,753	12,241,457	851,088	36,210,175	9,929,197	19,204,123	6,464,705	612,150	36,210,175	22 —
5,843,932	12,362,512	802,908	36,797,680	10,425,292	19,777,860	5,963,850	630,678	36,797,680	29 —
									1856:
5,514,535	12,607,840	849,795	36,810,493	10,827,515	19,871,874	5,520,375	590,729	36,810,493	5 January.
3,638,609	13,967,508	843,874	36,333,664	13,413,459	17,415,554	4,887,005	617,646	36,333,664	12 —
3,858,237	13,512,245	826,250	36,114,944	13,728,246	16,857,056	4,913,200	616,442	36,114,944	19 —
3,264,203	12,871,553	844,027	34,909,415	12,636,261	16,750,656	4,874,975	647,523	34,909,415	26 —
3,782,879	13,807,258	815,880	36,369,099	12,092,361	18,216,497	5,411,985	648,256	36,369,099	2 February.
3,683,327	13,049,256	798,031	35,576,134	11,422,361	17,868,429	5,604,500	680,844	35,576,134	9 —
4,164,823	12,964,125	770,261	35,957,862	11,931,006	17,743,632	5,643,565	639,659	35,957,862	16 —
4,141,551	14,762,364	713,094	37,640,055	11,946,006	19,185,177	5,848,810	660,062	37,640,055	23 —
4,083,033	13,918,279	747,129	37,081,193	11,451,006	19,490,762	5,493,005	646,420	37,081,193	1 March.
4,376,186	13,285,084	777,919	36,784,759	11,451,006	18,928,343	5,764,620	640,790	36,784,759	8 —
5,506,124	12,650,535	756,330	37,271,369	11,451,006	19,285,023	5,884,865	650,470	37,271,369	15 —
5,638,865	12,107,043	726,362	36,838,934	11,951,006	18,425,297	5,836,745	625,886	36,838,934	22 —
6,838,842	11,857,130	765,305	37,842,142	11,871,821	20,063,178	5,289,780	617,363	37,842,142	29 —
6,010,439	11,510,329	757,025	36,670,798	11,871,778	19,711,720	4,470,475	616,825	36,670,798	5 April.
3,443,136	12,314,701	808,960	34,276,542	12,918,437	16,794,528	3,895,040	668,537	34,276,542	12 —
2,958,753	11,907,623	796,057	33,383,323	13,117,833	15,929,363	3,668,600	667,527	33,383,323	19 —
4,008,071	11,036,793	845,327	33,619,182	13,370,083	15,975,189	3,632,455	641,455	33,619,182	26 —
3,871,799	10,806,090	819,105	33,257,664	13,755,083	15,446,266	3,430,875	625,440	33,257,664	3 May.
3,033,588	10,613,914	836,812	32,270,681	12,662,652	15,297,277	3,690,990	619,762	32,270,681	10 —
2,991,956	12,351,097	787,137	33,930,153	12,479,416	16,710,812	4,136,675	603,250	33,930,153	17 —
3,535,203	11,472,481	742,904	33,558,351	12,479,416	15,377,046	5,081,960	619,929	33,558,351	24 —
3,686,524	10,745,271	773,848	32,959,833	12,612,119	14,042,418	5,686,680	618,616	32,959,833	31 —
3,297,127	10,734,513	805,604	32,599,490	11,682,126	14,333,306	5,952,735	631,323	32,599,490	7 June.
4,112,448	10,218,761	774,393	32,873,589	11,226,468	14,347,079	6,678,460	621,582	32,873,589	14 —
4,132,110	10,602,674	739,629	33,258,414	11,276,155	14,411,854	6,915,380	655,025	33,258,414	21 —
5,704,570	9,810,045	797,546	34,113,616	11,276,155	14,803,958	7,388,715	644,788	34,113,616	28 —
4,817,074	10,470,957	849,731	33,975,724	11,308,515	15,527,912	6,552,720	586,577	33,975,724	5 July.
2,547,500	12,698,812	876,690	33,996,534	14,208,464	13,773,626	5,434,720	579,724	33,996,534	12 —
3,242,869	11,902,473	849,451	33,895,253	14,798,464	13,153,664	5,321,300	621,825	33,895,253	19 —
3,844,808	10,598,296	875,807	33,223,862	13,713,464	13,094,424	5,803,045	612,929	33,223,862	26 —
3,677,416	10,581,413	923,865	33,100,475	12,483,045	14,186,000	5,794,655	636,775	33,100,475	2 August.
4,285,108	10,153,804	897,663	33,346,361	12,010,078	14,478,928	6,195,000	662,355	33,346,361	9 —
4,668,218	10,560,407	891,412	34,131,727	12,010,078	15,270,195	6,200,560	650,894	34,131,727	16 —
4,721,846	10,021,829	882,965	33,595,963	12,062,022	14,562,330	6,287,650	683,961	33,595,963	23 —
5,590,339	9,734,553	930,444	34,496,742	12,114,078	15,645,152	6,063,720	673,792	34,496,742	30 —
6,087,068	9,624,407	932,474	34,914,691	12,114,078	16,126,951	6,021,660	652,002	34,914,691	6 September.
6,609,292	9,973,564	887,179	35,753,852	11,964,953	16,924,279	6,210,725	653,895	35,753,852	13 —
7,909,724	9,958,972	909,336	37,074,927	11,964,953	18,291,557	6,225,895	592,522	37,074,927	20 —
8,409,851	9,956,813	927,399	37,601,479	11,964,953	19,616,384	5,379,710	640,432	37,601,479	27 —
7,750,499	10,323,552	958,305	37,379,844	11,464,278	21,582,464	3,775,590	557,512	37,379,844	4 October.
8,001,501	9,848,912	958,421	36,500,309	11,378,905	21,049,117	3,521,620	550,667	36,500,309	11 —
4,040,590	10,481,220	985,192	33,238,021	11,103,896	19,054,088	2,550,740	529,297	33,238,021	18 —
4,201,284	10,044,763	939,449	32,925,901	10,740,845	18,545,315	3,065,350	574,391	32,925,901	25 —
4,713,654	9,012,776	946,943	33,326,209	10,737,841	19,053,446	2,943,665	591,257	33,326,209	1 November.
4,631,967	9,652,655	909,844	32,984,889	10,592,679	18,626,428	3,150,435	615,347	32,984,889	8 —
4,924,785	10,113,368	895,831	33,741,633	10,457,869	19,054,017	3,606,815	622,932	33,741,633	15 —
5,106,831	9,735,455	858,122	33,516,979	10,454,867	18,232,446	4,218,055	611,611	33,516,979	22 —
5,469,987	9,320,817	844,935	33,394,263	10,454,867	17,537,749	4,785,180	616,467	33,394,263	29 —
5,870,709	9,297,193	860,002	33,796,640	10,640,867	17,389,715	5,151,380	614,678	33,796,640	6 December.
6,300,625	9,042,822	811,191	33,934,311	10,640,867	16,828,728	5,823,185	641,531	33,934,311	13 —
6,891,949	9,493,093	822,242	35,000,674	10,870,431	17,654,460	5,863,890	611,893	35,000,674	20 —
7,501,335	10,132,655	771,639	36,212,139	11,200,748	18,962,155	5,456,315	592,921	36,212,139	27 —

M. Marshall, Chief Cashier.

Appendix, No. 13.

Appendix, No. 6, to Report from Select Committee on Commercial Distress, 1848.

AN ACCOUNT of Bank Notes of the Bank of *England* held by the Public, and of Bank Notes of the Bank of *England* held in Reserve by the Bank of *England*; also, of the Rates of Exchange between *London*, *Paris*, *Hamburgh* and *Amsterdam*; also, of the Total Amount of Bullion; also, of the Minimum Rate of Interest charged by the Bank of *England*; also, of the Total Amount of Bills Discounted; also, of the Total Amount of Temporary Advances; also, of the Total Amount of Deposits, including the Balances on the account of the Exchequer, and the Balances held on account of the London Bankers, from the last Day of each Week from the 7th September 1844 to the latest Date of the present Year, both Days inclusive.

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances held on account of the Exchequer and London Bankers included in the foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1844:	£.	£.				£.	*Per Cent.*	£.	£.	£.	£.
August - 31	20,448,000	7,732,000	25.47½	13.10½	12.3¾	15,315,000	4	2,141,000	252,000	12,137,000	1,572,000 E. 1,480,000 B.
September 7	20,176,000	8,175,000	25.45	13.10¾	„	15,209,000	2½	2,116,000	252,000	12,275,000	2,198,000 E. 963,000 B.
14	19,881,000	8,620,000	25.45	13.11	„	15,198,000	„	2,137,000	602,000	12,892,000	2,976,000 E. 905,000 B.
21	19,618,000	8,965,000	25.47½	13.11¾	„	15,159,000	„	2,162,000	1,193,000	13,805,000	3,981,000 E. 1,059,000 B.
28	19,902,000	8,461,000	25.52½	„	12.4¼	15,022,000	„	2,193,000	2,165,000	14,297,000	4,702,000 E. 855,000 B.
October - 5	20,153,000	7,930,000	25.50	13.11½	„	14,702,000	„	2,259,000	2,814,000	14,427,000	4,944,000 E. 880,000 B.
12	20,228,000	7,610,000	25.52½	13.10½	12.4	14,445,000	„	2,310,000	2,792,000	16,378,000	946,000 E. 845,000 B.
19	21,083,000	6,649,000	25.55	13.11½	„	14,190,000	„	2,394,000	690,000	12,472,000	684,000 E. 1,071,000 B.
26	21,321,000	6,225,000	25.57½	13.12	„	14,097,000	„	2,481,000	577,000	11,847,000	829,000 E. 801,000 B.
November 2	20,820,000	6,679,000	„	13.11¾	- -	14,039,000	„	2,810,000	625,000	12,228,000	800,000 E. 1,214,000 B.
9	20,557,000	6,844,000	25.55	„	12.3¾	14,116,000	„	2,863,000	625,000	11,994,000	1,054,000 E. 1,046,000 B.
16	20,581,000	6,927,000	„	13.12	12.4¼	14,231,000	„	3,047,000	1,047,000	11,909,000	1,732,000 E. 797,000 B.
23	20,118,000	7,410,000	„	13.12¼	12.4½	14,366,000	„	3,094,000	1,128,000	12,676,000	2,753,000 E. 847,000 B.
30	19,842,000	7,944,000	25.57½	„	12.5¼	14,558,000	„	3,503,000	1,154,000	13,571,000	3,666,000 E. 1,068,000 B.
December 7	19,531,000	8,286,000	25.60	13.11½	12.5	14,645,000	„	3,407,000	1,423,000	14,218,000	4,405,000 E. 1,041,000 B.
14	19,258,000	8,746,000	25.57½	„	12.4¾	14,844,000	„	3,268,000	1,612,000	14,766,000	5,093,000 E. 869,000 B.
21	19,192,000	8,960,000	„	13.11¾	12.5¼	14,943,000	„	3,200,000	2,140,000	15,424,000	5,842,000 E. 874,000 B.
28	19,123,000	9,077,000	25.60	„	12.5¾	14,878,000	„	3,029,000	2,585,000	15,677,000	6,284,000 E. 984,000 B.
1845:											
January - 4	19,669,000	8,418,000	„	13.12	12.6	14,802,000	„	2,975,000	3,021,000	15,404,000	6,204,000 E. 742,000 B.
11	20,390,000	7,773,000	„	„	12.6¼	14,776,000	„	2,546,000	1,057,000	13,006,000	1,096,000 E. 1,127,000 B.
18	20,545,000	7,588,000	25.62½	13.12¼	12·6	14,788,000	„	2,340,000	898,000	11,873,000	833,000 E. 1,154,000 B.
25	20,710,000	7,418,000	„	„	12.5¾	14,820,000	„	2,185,000	993,000	11,501,000	1,021,000 E. 1,399,000 B.
February 1	20,590,000	7,642,000	25.65	13.12½	„	14,899,000	„	2,030,000	1,175,000	11,566,000	1,135,000 E. 1,311,000 B.
8	20,319,000	8,128,000	„	„	„	15,148,000	„	2,166,000	2,405,000	13,447,000	2,350,000 E. 1,069,000 B.
15	20,142,000	8,395,000	25.70	13.13½	12.6	15,308,000	„	2,300,000	3,071,000	14,574,000	3,210,000 E. 1,332,000 B.
22	19,790,000	8,889,000	25.72½	13.13¼	12.6¼	15,453,000	„	2,422,000	2,919,000	15,179,000	4,083,000 E. 1,086,000 B.

AN ACCOUNT of Bank Notes of the Bank of England held by the Public; and of Bank Notes of the Bank of England held in Reserve, &c.—*continued.*

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances held on account of the Exchequer and London Bankers included in the foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1845:	£.	£.				£.	*Per Cent.*	£.	£.	£.	£.
March - 1	20,000,000	8,953,000	25.77½	13.14	12.6¾	15,730,000	2½	2,435,000	3,395,000	15,800,000	4,497,000 E. 1,248,000 B.
8	19,699,000	9,341,000	„	13.14½	„	15,876,000	„	2,293,000	3,560,000	16,259,000	4,914,000 E. 1,134,000 B.
15	19,697,000	9,451,000	25.82½	13.15	12.7	15,945,000	„	2,449,000	3,520,000	16,445,000	5,203,000 E. 979,000 B.
22	19,540,000	9,673,000	„	13.14⅝	12.7½	16,000,000	„	2,618,000	4,010,000	17,343,000	5,857,000 E. 889,000 B.
29	19,724,000	9,747,000	25.80	13.14½	12.7¼	16,204,000	„	3,044,000	4,169,000	18,035,000	6,312,000 E. 1,162,000 B.
April - 5	20,100,000	9,252,000	25.75	13.14	12.6¾	16,074,000	„	3,172,000	4,110,000	17,370,000	6,072,000 E. 925,000 B.
12	21,216,000	8,001,000	„	13.13¾	„	15,893,000	„	3,113,000	2,464,000	16,108,000	1,087,000 E. 1,857,000 B.
19	21,393,000	7,791,000	25.77½	13.14¼	12.7¼	15,843,000	„	3,286,000	1,863,000	14,750,000	792,000 E. 1,422,000 B.
26	21,152,000	8,102,000	„	„	„	15,886,000	„	3,201,000	1,027,000	13,425,000	695,000 E. 1,074,000 B.
May - 3	21,339,000	7,828,000	„	13.13¾	12.7	15,808,000	„	3,475,000	951,000	13,068,000	949,000 E. 1,061,000 B.
10	21,083,000	8,140,000	25.80	13.14¼	„	15,862,000	„	3,652,000	1,034,000	13,456,000	1,820,000 E. 884,000 B.
17	20,606,000	8,734,000	25.82½	13.14½	12.7¼	15,999,000	„	3,992,000	1,249,000	14,633,000	2,684,000 E. 1,132,000 B.
24	20,398,000	9,015,000	25.77½	„	„	16,273,000	„	3,933,000	1,295,000	15,139,000	3,747,000 E. 929,000 B.
31	20,453,000	9,182,000	25.80	„	„	16,412,000	„	4,076,000	1,676,000	16,217,000	4,364,000 E. 1,484,000 B.
June - 7	20,350,000	9,383,000	25.77½	„	„	16,512,000	„	4,061,000	1,600,000	16,310,000	4,847,000 E. 1,011,000 B.
14	20,063,000	9,855,000	„	„	12.7½	16,614,000	„	3,862,000	1,642,000	16,577,000	5,425,000 E. 915,000 B.
21	20,214,000	9,837,030	25.75	„	12.7¾	16,639,000	„	3,922,000	2,266,000	17,099,000	6,143,000 E. 970,000 B.
28	20,330,000	9,717,000	„	„	12.8	16,602,000	„	4,274,000	2,541,000	17,552,000	6,324,000 E. 958,000 B.
July - 5	20,612,000	9,280,000	25.65	„	12.8½	16,418,000	„	4,403,000	2,759,000	17,371,000	6,595,000 E. 939,000 B.
12	21,614,000	8,069,000	25.57½	„	12.8	16,196,000	„	3,853,000	1,625,000	14,812,000	960,000 E. 1,625,000 B.
19	21,503,000	7,891,000	25.52½	13.14¼	12.7⅛	15,879,000	„	3,760,000	1,264,000	13,769,000	861,000 E. 1,411,000 B.
26	21,301,000	7,942,000	„	13.14	„	15,794,000	„	3,880,000	941,000	13,679,000	1,363,000 E. 1,208,000 B.
August - 2	21,347,000	7,850,000	„	13.13¼	12.6¾	15,701,000	„	4,426,000	1,290,000	14,175,000	1,724,000 E. 1,656,000 B.
9	21,459,000	7,682,000	„	13.12¾	- -	15,670,000	„	4,510,000	1,374,000	14,222,000	2,777,000 E. 1,337,000 B.
16	21,582,000	7,494,000	„	„	12.7	15,680,000	„	4,589,000	1,327,000	13,942,000	3,846,000 E. 1,540,000 B.
23	21,189,000	7,833,000	25.57½	13.13	12.6¾	15,603,000	„	4,498,000	1,170,000	13,802,000	4,406,000 E. 1,264,000 B.
30	21,050,000	7,959,000	25.65	13.14½	12.7¾	15,592,000	„	4,445,000	1,193,000	14,402,000	5,023,000 E. 1,035,000 B.
September 6	20,698,000	8,256,000	25.60	„	„	15,427,000	„	4,564,000	1,343,000	14,982,000	5,619,000 E. 924,000 B.
13	20,359,000	8,431,000	„	13.13½	12.8½	15,384,000	„	4,737,000	1,596,000	15,636,000	6,256,000 E. 1,017,000 B.
20	20,470,000	8,328,000	„	13.13	12.7¾	15,348,000	„	5,311,000	1,929,000	16,333,000	7,346,000 E. 1,060,000 B.
27	20,611,000	7,947,000	25.65	13.12¾	12.8	15,161,000	„	5,735,000	2,337,000	16,872,000	7,970,000 E. 986,000 B.

(*continued*)

AN ACCOUNT of Bank Notes of the Bank of England held by the Public; and of - - - - - - - -

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances held on account of the Exchequer and London Bankers included in the foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1845:	£.	£.				£.	*Per Cent.*	£.	£.	£.	£.
October - 4	21,260,000	7,096,000	25.60	13.12¾	12.8	14,865,000	2½	6,541,000	2,577,000	16,871,000	7,976,000 E. 1,237,000 B.
11	21,031,000	7,038,000	25.60	13.13½	12.8¼	14,581,000	„	6,538,000	2,496,000	17,258,000	1,192,000 E. 1,377,000 B.
18	22,253,000	5,526,000	„	13.12¼	12.8½	14,190,000	3	6,526,000	1,609,000	14,324,000	1,419,000 E. 2,548,000 B.
25	22,026,000	5,390,000	25.65	„	12.9	14,001,000	„	6,141,000	932,000	13,254,000	2,065,000 E. 1,503,000 B.
November 1	22,047,000	5,220,000	25.60	13.13	12.8¼	13,855,000	„	6,976,000	630,000	13,587,000	2,570,000 E. 1,528,000 B.
8	21,765,000	5,438,000	25.65	13.13½	12.8¾	13,723,000	3½	7,846,000	610,000	14,475,000	3,507,000 E. 1,362,000 B.
15	21,492,000	5,483,000	„	13.13¼	12.9¼	13,570,000	„	8,475,000	785,000	15,424,000	4,977,000 E. 1,415,000 B.
22	20,960,000	6,077,000	„	13.13	„	13,560,000	„	8,777,000	859,000	16,387,000	6,075,000 E. 1,452,000 B.
29	20,801,000	5,932,000	„	13.13¼	12.9½	13,237,000	„	9,095,000	982,000	16,663,000	6,580,000 E. 1,398,000 B.
December 6	20,595,000	5,946,000	25.62½	13.12¼	12.8½	13,067,000	„	9,403,000	1,109,000	17,132,000	6,928,000 E. 1,608,000 B.
13	20,120,000	6,506,000	25.60	13.12¾	12.7¾	13,269,000	„	9,416,000	1,014,000	17,774,000	7,593,000 E. 1,677,000 B.
20	20,051,000	6,768,000	„	„	„	13,378,000	„	9,561,000	1,064,000	18,124,000	8,240,000 E. 1,551,000 B.
27	19,857,000	6,915,000	„	„	12.8	13,326,000	„	9,499,000	1,049,000	18,181,000	8,607,000 E. 1,397,000 B.
1846:											
January - 3	20,257,000	6,419,000	„	„	12·7¾	13,281,000	„	9,522,000	1,092,000	17,720,000	8,270,000 E. 1,534,000 B.
10	20,868,000	5,673,000	„	13.13	„	13,193,000	„	9,310,000	330,000	15,847,000	2,175,000 E. 3,994,000 B.
17	21,180,000	5,394,000	„	13.13½	12.8	13,139,000	„	9,429,000	699,000	15,966,000	2,537,000 E. 3,434,000 B.
24	21,109,000	5,416,000	„	13.13¼	„	13,202,000	„	10,211,000	2,518,000	18,673,000	2,761,000 E. 4,668,000 B.
31	21,474,000	5,113,000	25.65	13.13¼	12.8¼	13,288,000	„	11,507,000	4,324,000	21,427,000	2,809,000 E. 4,344,000 B.
February 7	20,435,000	6,264,000	„	13.12¾	„	13,336,000	„	11,954,000	5,351,000	23,967,000	3,618,000 E. 1,265,000 B.
14	20,126,000	6,674,000	„	13.13	„	13,468,000	„	12,370,000	4,278,000	23,757,000	4,372,000 E. 1,155,000 B.
21	20,085,000	6,888,000	25.62½	13.13½	„	13,652,000	„	12,977,000	3,964,000	24,294,000	5,022,000 E. 1,341,000 B.
28	20,021,000	6,994,000	25.65	13.13¾	12.8	13,776,000	„	13,137,000	4,142,000	24,944,000	5,281,000 E. 1,936,000 B.
March - 7	19,503,000	7,577,000	„	13.14	12.7¾	13,787,000	„	12,299,000	3,848,000	24,331,000	5,592,000 E. 1,317,000 B.
14	19,406,000	7,712,000	25.67½	„	12.8	13,835,000	„	12,037,000	3,918,000	24,282,000	5,911,000 E. 1,137,000 B.
21	19,231,000	8,034,000	„	13.13¾	„	13,965,000	„	12,276,000	3,561,000	24,422,000	6,091,000 E. 971,000 B.
28	19,586,000	7,684,000	25.72½	„	12.8¼	13,988,000	„	12,176,000	4,033,000	24,424,300	6,315,000 E. 1,097,000 B.
April - 4	19,866,000	7,316,000	„	13.14¼	12.8½	13,826,000	„	12,124,000	3,975,000	23,837,000	6,268,000 E. 846,000 B.
11	20,302,000	6,728,000	„	13.14¾	12.9	13,572,000	„	12,364,000	1,499,000	22,281,000	958,000 E. 1,813,000 B.
18	20,516,000	6,516,000	25.77½	13.15	12.9¼	13,627,000	„	11,982,000	1,185,000	20,908,000	730,000 E. 1,579,000 B.
25	20,561,000	6,488,000	25.72½	13.14¾	„	13,706,000	„	11,254,000	1,065,000	19,677,000	715,000 E. 1,229,000 B.

Bank Notes of the Bank of England held in Reserve by the Bank of England, &c.—*continued.*

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances held on account of the Exchequer and London Bankers included in the foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 *d*/*s*.	Hamburgh.	Amsterdam.						
1846:	£.	£.				£.	*Per Cent.*	£.	£.	£.	£.
May - 2	20,664,000	6,408,000	25·72½	13.14½	12.9	13,734,000	3½	11,052,000	1,363,000	19,359,000	735,000 E. 1,143,000 B.
9	20,499,000	6,836,000	,,	13.14¼	12.8¾	13,880,000	,,	10,930,000	1,325,000	19,288,000	1,410,000 E. 1,184,000 B.
16	20,023,000	7,497,000	,,	,,	,,	14,185,000	,,	11,012,000	1,743,000	20,438,000	2,469,000 E. 1,148,000 B.
23	19,932,000	7,775,000	25.70	,,	12.8¼	14,413,000	,,	10,687,000	2,084,000	20,756,000	3,536,000 E. 927,000 B.
30	19,950,000	8,044,000	,,	13.13¼	,,	14,698,000	,,	10,534,000	2,452,000	21,394,000	4,266,000 E. 1,286,000 B.
June - 6	19,857,000	8,468,000	25.67½	13.13¾	12.7½	15,012,000	,,	10,384,000	2,475,000	21,681,000	4,684,000 E. 1,130,000 B.
13	19,592,000	9,012,000	25.65	13.14¼	12.7	15,340,000	,,	10,213,000	2,447,000	22,056,000	5,543,000 E. 1,083,000 B.
20	19,374,000	9,631,000	,,	,,	,,	15,689,000	,,	10,023,000	2,468,000	22,607,000	6,264,000 E. 909,000 B.
27	19,609,000	9,664,000	,,	13.14	- -	16,016,000	,,	9,975,000	2,788,000	22,842,000	6,852,000 E. 1,317,000 B.
July - 4	20,019,000	9,303,000	25.67½	13.13¾	12.7¼	15,948,000	,,	9,904,000	2,752,000	22,197,000	6,997,000 E. 1,147,000 B.
11	20,841,000	8,426,000	,,	13.14	12.7½	15,863,000	,,	9,207,000	1,372,000	19,151,000	954,000 E. 2,102,000 B.
18	21,001,000	8,139,000	25.72½	,,	,,	15,770,000	,,	8,712,000	991,000	18,068,000	1,298,000 E. 1,912,000 B.
25	20,750,000	8,563,000	,,	,,	,,	15,949,000	,,	7,986,000	910,000	17,744,000	1,731,000 E. 1,262,000 B.
August - 1	20,495,000	8,797,000	25.75	13.14½	12.8	15,803,000	,,	7,553,000	838,000	17,243,000	2,202,000 E. 1,458,000 B.
8	20,311,000	9,075,000	,,	13.14¼	,,	15,945,000	,,	7,429,000	914,000	17,471,000	3,568,000 E. 1,144,000 B.
15	20,855,000	8,601,000	,,	,,	12.7¾	16,045,000	,,	7,074,000	936,000	16,930,000	4,832,000 E. 2,365,000 B.
22	20,148,000	9,506,000	,,	13.13¾	,,	16,177,000	,,	6,406,000	772,000	16,917,000	5,729,000 E. 2,546,000 B.
29	20,426,000	9,450,000	25.72½	13.12½	12.7¼	16,366,000	3	6,067,000	523,000	16,304,000	6,253,000 E. 1,993,000 B.
September 5	20,530,000	9,231,000	25.67½	,,	12.6¾	16,274,000	,,	5,803,000	520,000	15,876,000	6,425,000 E. 1,301,000 B.
12	20,018,000	9,847,000	,,	13.12¾	12.6½	16,354,000	,,	5,568,000	560,000	16,294,000	7,131,000 E. 1,192,000 B.
19	19,941,000	9,817,000	25.70	,,	12.6¾	16,309,000	,,	5,788,000	1,068,000	17,082,000	7,809,000 E. 1,320,000 B.
26	19,867,000	9,789,000	25.75	13.12½	,,	16,224,000	,,	6,058,000	1,786,000	18,017,000	8,804,000 E. 1,100,000 B.
October - 3	20,551,000	8,809,000	,,	13.12¾	,,	15,817,000	,,	6,334,000	2,567,000	17,943,000	8,986,000 E. 1,233,000 B.
10	20,772,000	8,306,000	,,	13.12½	12.6½	15,582,000	,,	6,571,000	2,475,000	18,124,000	9,119,000 E. 990,000 B.
17	21,332,000	7,410,000	25.70	13.12	12.5¾	15,143,000	,,	6,260,000	510,000	14,441,000	2,328,000 E. 2,074,000 B.
24	21,280,000	7,157,000	25.65	,,	12.5	14,894,000	,,	5,852,000	345,000	13,626,000	2,618,000 E. 1,576,000 B.
31	21,376,000	6,934,000	25.60	13.11¾	12.4¾	14,808,000	,,	5,912,000	352,000	13,384,000	2,636,000 E. 1,358,000 B.
November 7	20,971,000	7,265,000	,,	13.11½	12.4½	14,760,000	,,	5,780,000	467,000	13,710,000	3,541,000 E. 1,105,000 B.
14	20,410,000	7,836,000	25.50	13.11	12.3½	14,849,000	,,	6,114,000	505,000	14,773,000	5,078,000 E. 1,114,000 B.
21	20,208,000	8,110,000	,,	13.11¼	12.3	14,924,000	,,	6,591,000	793,000	15,851,000	6,431,000 E. 1,222,000 B.
28	19,988,000	8,326,000	25·55	,,	12.3½	15,008,000	,,	6,685,000	895,000	16,466,000	7,274,000 E. 1,366,000 B.
December 5	19,867,000	8,402,000	25.50	13.10½	12.3	15,003,000	,,	6,892,000	966,000	16,916,000	7,628,000 E. 1,417,000 B.
12	19,787,000	8,624,000	25.40	13.9¾	12.2¾	15,154,000	,,	6,951,000	935,000	17,177,000	8,164,000 E. 1,411,000 B.
19	19,549,000	8,864,000	,,	13.9¼	12.2	15,163,000	,,	6,984,000	882,000	17,463,000	8,952,000 E. 1,165,000 B.
26	19,628,000	8,814,000	25.45	13.9	12.2¾	15,067,000	,,	7,364,000	1,256,000	18,037,000	9,448,000 E. 1,232,000 B.

(*continued*)

AN ACCOUNT of Bank Notes of the Bank of England held by the Public: and of - - - - - - -

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances held on account of the Exchequer and London Bankers included in the foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1847:	£.	£.				£.	*Per Cent.*	£.	£.	£.	£.
January - 2	20,031,000	8,227,000	25.40	13.9⅛	12.2½	14,952,000	3	7,654,000	1,386,000	17,895,000	9,060,000 E. 1,464,000 B.
9	20,837,000	6,715,000	„	13.9	„	14,308,000	„	7,490,000	970,000	15,645,000	2,710,000 E. 2,570,000 B.
16	20,679,000	6,546,000	25.37½	13.7½	12.2¼	13,949,000	3½	7,624,000	832,000	15,374,000	2,879,000 E. 1,479,000 B.
23	20,599,000	6,167,000	25.25	13.6¾	12.1¾	13,443,000	4	7,741,000	759,000	15,024,000	2,812,000 E. 1,643,000 B.
30	20,469,000	5,704,000	25.27½	13.7½	12.2	12,902,000	„	7,680,000	724,000	14,123,000	2,731,000 E. 1,508,000 B.
February 6	19,613,000	5,891,000	25.30	13.8½	12.2¼	12,288,000	„	7,706,000	654,000	13,851,000	3,127,000 E. 942,000 B.
13	19,724,000	5,747,000	„	13.8¼	12.2	12,299,000	„	8,604,000	809,000	14,628,000	3,825,000 E. 1,312,000 B.
20	19,482,000	5,977,000	25.27½	13.8½	12.2¼	12,215,000	„	8,507,000	794,000	14,707,000	4,582,000 E. 1,060,000 B.
27	19,333,000	6,017,000	„	„	12.2	12,045,000	„	8,879,000	899,000	15,250,000	4,920,000 E. 1,288,000 B.
March - 6	19,279,000	5,715,000	25.30	13.9	„	11,596,000	„	9,500,000	1,362,000	15,860,000	4,629,000 E. 1,096,000 B.
13	19,232,000	5,554,000	„	„	„	11,449,000	„	9,978,000	1,343,000	16,252,000	4,803,000 E. 1,609,000 B.
20	19,069,000	5,419,000	„	„	12.2¼	11,232,000	„	10,312,000	1,304,000	16,434,000	4,528,000 E. 1,760,000 B.
27	19,444,000	4,876,000	25.37½	13.9¼	12.2½	11,016,000	„	10,360,000	1,442,000	16,019,000	4,679,000 E. 1,300,000 B.
April - 3	19,855,000	3,700,000	25.42½	13.9¾	12.3	10,246,000	„	11,146,000	1,460,000	15,504,000	4,952,000 E. 1,537,000 B.
10	20,403,000	2,833,000	25.50	13.10	12.4	9,867,000	5	11,320,000	856,000	16,242,000	692,000 E. 2,540,000 B.
17	20,243,000	2,558,000	25.60	13.10½	12.5¼	9,330,000	„	10,655,000	492,000	13,016,000	712,000 E. 1,695,000 B.
24	19,830,000	2,719,000	„	13.11¼	12.5	9,214,000	„	9,755,000	363,000	11,760,000	744,000 E. 1,067,000 B.
May - 1	19,766,000	2,741,000	25.70	13.12¼	12.5¾	9,338,000	„	9,993,000	230,000	11,611,000	604,000 E. 1,399,000 B.
8	19,592,000	3,197,000	25.85	13.15	12.7¼	9,589,000	„	10,136,000	346,000	11,800,000	961,000 E. 1,360,000 B.
15	19,174,000	3,793,000	25.75	13.13	12.6	9,870,000	„	9,934,000	907,000	13,071,000	2,840,000 E. 1,369,000 B.
22	18,780,000	4,420,000	25.60	13.10¾	12.4¾	9,949,000	„	9,465,000	1,285,000	14,430,000	5,109,000 E. 1,016,000 B.
29	18,662,000	4,628,000	„	13.11	12.4½	10,170,000	„	9,450,000	1,754,000	15,410,000	5,994,000 E. 1,212,000 B.
June - 5	18,346,000	5,089,000	25.50	13.12	12.4¼	10,237,000	„	9,333,000	1,927,000	15,923,000	6,771,000 E. 1,190,000 B.
12	18,218,000	5,375,000	„	13.11½	12.4	10,359,000	„	9,408,000	2,609,000	16,922,000	7,849,000 E. 1,449,000 B.
19	17,968,000	5,665,000	„	13.11	12.4¼	10,512,000	„	9,324,000	2,830,000	17,419,000	8,367,000 E. 1,179,000 B.
26	18,051,000	5,625,000	25.45	13.11¼	„	10,526,000	„	9,084,000	3,436,000	17,717,000	8,998,000 E. 898,000 B.
July - 3	18,404,000	5,158,000	„	„	„	10,397,000	„	9,261,000	3,716,000	17,707,000	8,929,000 E. 881,000 B.
10	18,973,000	4,331,000	25.40	„	12.4	10,086,000	„	9,080,000	1,892,000	14,550,000	2,529,000 E. 1,521,000 B.
17	19,164,000	4,069,000	25.35	13.10½	12.3½	9,919,000	„	9,089,000	1,301,000	13,200,000	2,706,000 E. 1,313,000 B.
24	18,903,000	4,216,000	25.32½	13.10¾	„	9,770,000	„	8,999,000	936,000	12,830,000	3,012,000 E. 1,270,000 B.
31	18,892,000	3,775,000	„	13.11⅝	12.4½	9,331,000	„	9,218,000	1,131,000	12,820,000	3,150,000 E. 1,433,000 B.

- - - - - Bank Notes of the Bank of England held in Reserve by the Bank of England, &c.—*continued.*

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances held on account of the Exchequer and London Bankers included in the foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 *d/s.*	Hamburgh.	Amsterdam.						
1847:	£.	£.				£.	*Per Cent.*	£.	£.	£.	£.
August - 7	18,688,000	3,946,000	25.32½	13.12¾	12.5	9,253,000	5½	9,124,000	1,833,000	13,457,000	4,274,000 E. 1,312,000 B.
14	18,656,000	3,992,000	25.37½	13.13	12.4¾	9,287,000	,,	9,369,000	1,970,000	13,872,000	5,233,000 E. 1,241,000 B.
21	18,127,000	4,488,000	25.30	13.12¾	12.4¼	9,240,000	,,	9,107,000	1,720,000	13,762,000	5,868,000 E. 1,067,000 B.
28	18,236,000	4,330,000	,,	13.12½	12.4½	9,140,000	,,	9,163,000	2,285,000	14,299,000	6,413,000 E. 1,356,000 B.
September 4	18,207,000	4,190,000	,,	13.12¾	12.4¼	8,960,000	,,	8,727,000	3,146,000	14,514,000	6,715,000 E. 1,153,000 B.
11	17,841,000	4,467,000	25.35	,,	,,	8,915,000	5 per Cent. on Loans till the October Dividend.	8,528,000	3,640,000	15,147,000	7,065,000 E. 1,267,000 B.
18	17,932,000	4,273,000	25.30	13.13	,,	8,880,000	5	8,676,000	4,459,000	15,934,000	7,667,000 E. 1,078,000 B.
25	18,079,000	4,112,000	25.35	13.13½	12.4½	8,782,000	5 Minimum Rate of Discount remained 5½.	9,605,000	4,826,000	16,932,000	8,507,000 E. 1,194,000 B.
October - 2	18,712,000	3,409,000	25.40	13.14½	12.5	8,565,000	5	10,399,000	5,266,000	17,291,000	8,491,000 E. 1,599,000 B.
9	18,640,000	3,322,000	25.60	13.15½	12.7	8,409,000	5	10,978,000	4,651,000	17,129,000	8,708,000 E. 1,321,000 B.
16	19,359,000	2,630,000	25.70	14.	12.8½	8,431,000	5½	11,907,000	1,140,000	14,171,000	2,512,000 E. 1,905,000 B.
23	20,318,000	1,547,000	25.75	14.01	12.10	8,313,000	,,	12,492,000	1,087,000	13,347,000	2,743,000 E. 1,615,000 B.
							8 (Oct. 25.)				
30	20,833,000	1,177,000	25.70	,,	12.9½	8,439,000	,,	12,738,000	1,728,000	13,607,000	3,082,000 E. 1,988,000 B.
November 6	20,396,000	2,030,000	25.65	13.15	12.8	8,730,000	,,	12,338,000	1,681,000	13,796,000	3,377,000 E. 2,060,000 B.
13	20,051,000	2,798,000	25.60	13.14½	12.6½	9,259,000	,,	11,783,000	1,836,000	14,304,000	4,494,000 E. 1,929,000 B.
20	19,298,000	4,228,000	25.62½	13.14¾	12.6¼	10,017,000	,,	10,866,000	1,916,000	15,086,000	5,815,000 E. 1,757,000 B.
							7 (Nov. 22.)				
27	18,970,000	4,986,000	25.55	13.15	12.6½	10,533,000	,,	10,483,000	2,065,000	15,968,000	6,530,000 E. 1,944,000 B.
December 4	18,783,000	5,583,000	,,	13.15½	,,	11,033,000	6	9,995,000	2,082,000	16,241,000	6,785,000 E. 1,759,000 B.
11	18,321,000	6,449,000	,,	13.15¼	12.6	11,426,000	,,	9,528,000	2,102,000	16,667,000	7,279,000 E. 2,112,000 B.
18	17,758,000	7,551,000	,,	,,	12.4½	11,991,000	,,	9,004,000	2,145,000	17,370,000	7,922,000 E. 1,805,000 B.
24	17,823,000	7,786,000	25.57½	,,	12.5	12,237,000	5	8,541,000	2,433,000	17,479,000	8,186,000 E. 1,431,000 B.

Bank of England,
10 January 1848.

M. Marshall,
Chief Cashier.

AN ACCOUNT of Bank Notes of the Bank of *England* held by the Public, and of Bank Notes of the Bank of *England* held in Reserve by the Bank of *England*; also the Rates of Exchange between *London, Paris, Hamburgh*, and *Amsterdam*; also, of the Total Amount of Bullion; also, of the Minimum Rate of Interest charged by the Bank of *England*; also, of the Total Amount of Bills Discounted; also, of the Total Amount of Temporary Advances; also, of the Total Amount of Deposits, including the Balances on the Account of the Exchequer, and the Balances held on Account of the London Bankers, from the last Day of each Week, from the 1st of January 1848 to the 27th December 1856, both Days inclusive (in continuation of Appendix No. 6 to the Report from the Select Committee on Commercial Distress, 1848).

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills Discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances of the Exchequer and of London Bankers included in foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1848:	£.	£.				£.		£.	£.	£.	£.
January - 1	17,925,000	7,866,000	25.60	13.15½	12.6	12,404,000	5	8,100,000	2,873,000	17,535,000	8,157,000 E. 1,929,000 B.
8	18,561,000	7,315,000	„	13.15	12.6½	12,578,000	„	7,657,000	2,701,000	16,272,000	1,974,000 E. 3,774,000 B.
15	19,095,000	7,152,000	„	13.14¾	12.6	12,824,000	„	7,734,000	1,793,000	15,011,000	2,238,000 E. 3,423,000 B.
22	19,112,000	7,447,000	„	„	12.5½	13,177,000	„	7,082,000	1,840,000	14,857,000	2,453,000 E. 3,813,000 B.
29	19,142,000	7,640,000	25.50	„	12.4½	13,390,000	4	6,652,000	1,885,000	14,939,000	2,672,000 E. 3,678,000 B.
February 5	19,136,000	8,075,000	25.45	13.14½	12.3¾	13,822,000	„	6,155,000	1,930,000	14,873,000	3,134,000 E. 3,003,000 B.
12	18,519,000	9,064,000	25.40	13.14	12.3½	14,205,000	„	5,769,000	1,668,000	15,345,000	4,067,000 E. 2,430,000 B.
19	18,085,000	9,806,000	25.35	13.13¼	12.3¾	14,570,000	„	5,530,000	1,554,000	15,830,000	4,822,000 E. 2,204,000 B.
26	18,180,000	9,922,000	25.40	13.14½	12.4½	14,761,000	„	5,272,000	1,758,000	15,968,000	5,371,000 E. 2,251,000 B.
March - 4	18,376,000	9,830,000	25.60	13.15	12.5	14,874,000	„	5,051,000	1,761,000	15,825,000	5,696,000 E. 1,676,000 B.
11	17,691,000	10,545,000	25.40	14.0	12.5½	14,947,000	„	4,867,000	1,786,000	16,408,000	5,947,000 E. 2,016,000 B.
18	17,447,000	10,967,000	26.30	13.13¾	12.6	15,123,000	„	4,823,000	1,775,000	16,731,000	6,065,000 E. 2,042,000 B.
25	17,603,000	10,953,000	26.70	13.14½	„	15,317,000	„	4,780,000	1,783,000	16,806,000	6,456,000 E. 1,745,000 B.
April - 1	17,668,000	10,875,000	26.40	14.01	12.7	15,211,000	„	4,779,000	1,762,000	16,721,000	6,355,000 E. 1,846,000 B.
8	18,241,000	9,768,000	25.40	14.04	12.7½	14,602,000	„	4,681,000	1,574,000	16,548,000	623,000 E. 3,707,000 B.
15	18,597,000	8,569,000	25.30	14.04	12.7	13,764,000	„	4,601,000	1,347,000	15,072,000	843,000 E. 3,997,000 B.
22	18,762,000	7,860,000	25.65	14.02	12.5	13,228,000	„	4,473,000	1,329,000	13,757,000	640,000 E. 3,805,000 B.
29	18,603,000	7,659,000	25.30	13.13	12.4	12,879,000	„	4,400,000	1,365,000	13,333,000	772,000 E. 3,365,000 B.
May - 6	18,622,000	7,554,000	25.35	13.14½	12.4½	12,826,000	„	4,227,000	1,395,000	12,688,000	1,024,000 E. 2,826,000 B.
13	18,327,000	8,037,000	25.40	13.15	12.4½	13,090,000	„	4,191,000	1,411,000	13,199,000	2,235,000 E. 2,382,000 B.
20	18,095,000	8,566,000	25.35	13.14½	12.3¼	13,379,000	„	4,046,000	1,384,000	13,607,000	3,343,000 E. 2,029,000 B.
27	17,812,000	8,932,000	25.40	13.14	12.3¼	13,515,000	„	4,000,000	1,333,000	14,002,000	3,656,000 E. 1,899,000 B.
June - 3	17,779,000	9,081,000	25.50	13.13¼	12.3½	13,597,000	„	3,953,000	1,348,000	14,300,000	4,464,000 E. 1,797,000 B.
10	17,627,000	9,505,000	„	13.13	12.4	13,840,000	„	3,811,000	1,401,000	14,710,000	4,941,000 E. 1,759,000 B.
17	17,377,000	9,975,000	25.52½	13.12¾	12.3½	14,169,000	3½	3,672,000	1,377,000	15,069,000	5,033,000 E. 1,676,000 B.
24	17,529,000	10,008,000	25.45	13.12½	12.3	14,308,000	„	3,636,000	1,420,000	15,455,000	5,805,000 E. 1,453,000 B.

AN ACCOUNT of Bank Notes of the Bank of England held by the Public; and of Bank Notes of the Bank of England held in Reserve, &c.—*continued.*

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances of the Exchequer and of London Bankers included in foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1848:	£.	£.				£.		£.	£.	£.	£.
July - - 1	17,581,000	10,065,000	25.50	13.12¾	12.3¼	14,418,000	3½	3,680,000	1,415,000	15,623,000	5,798,000 E. 1,530,000 B.
8	18,361,000	9,312,000	25.45	13.11¼	12.2½	14,358,000	,,	3,790,000	1,317,000	15,694,000	914,000 E. 3,570,000 B.
15	19,145,000	8,449,000	25.40	13.11	12.2¼	14,263,000	,,	3,784,000	1,226,000	14,330,000	684,000 E. 3,574,000 B.
22	19,041,000	8,411,000	,,	13.11½	,,	14,109,000	,,	3,674,000	1,213,000	13,788,000	755,000 E. 3,352,000 B.
29	18,944,000	8,119,000	,,	13.12	12.2½	13,710,000	,,	3,609,000	1,215,000	13,139,000	956,000 E. 2,878,000 B.
August - 5	18,692,000	7,998,000	25.30	13.10¾	12.2¼	13,397,000	,,	3,595,000	1,223,000	12,857,000	1,641,000 E. 2,240,000 B.
12	18,166,000	8,528,000	,,	13.9½	12.2¼	13,365,000	,,	3,528,000	1,224,000	13,273,000	2,698,000 E. 1,708,000 B.
19	18,313,000	8,450,000	,,	13.10	12.2	13,372,000	,,	3,496,000	1,266,000	13,121,000	3,661,000 E. 1,697,000 B.
26	18,119,000	8,734,000	,,	13.10	,,	13,504,000	,,	3,538,000	1,260,000	13,584,000	4,129,000 E. 1,605,000 B.
September 2	18,099,000	8,785,000	,,	13.9½	12.1½	13,510,000	,,	3,580,000	1,299,000	13,846,000	4,198,000 E. 1,626,000 B.
9	17,845,000	9,114,000	25.32½	13.10½	12.1½	13,666,000	,,	3,522,000	1,315,000	14,232,000	4,699,000 E. 1,430,000 B.
16	17,687,000	9,511,000	,,	13.11¼	12.2	13,823,000	,,	3,564,000	1,346,000	14,927,000	5,428,000 E. 1,468,000 B.
23	17,311,000	9,926,000	25.27½	13.11	,,	13,865,000	,,	3,612,000	1,343,000	15,491,000	5,947,000 E. 1,375,000 B.
30	17,549,000	9,572,000	25.30	,,	12.1½	13,678,000	,,	3,543,000	1,525,000	15,155,000	6,279,000 E. 966,000 B.
October - 7	17,475,000	9,348,000	25.37½	13.11¼	12.1½	13,417,000	,,	3,453,000	1,719,000	15,016,000	6,219,000 E. 1,033,000 B.
14	18,334,000	8,405,000	25.40	13.11	12.1¾	13,259,000	,,	3,447,000	1,438,000	14,972,000	717,000 E. 3,418,000 B.
21	18,560,000	8,033,000	25.40	13.11½	12 2	13,163,000	,,	3,355,000	1,174,000	13,824,000	678,000 E. 3,341,000 B.
28	18,590,000	8,018,000	25.45	13.11¾	12.2½	13,273,000	,	3,296,000	1,171,000	13,541,000	849,000 E. 3,389,000 B.
November 4	18,554,000	8,243,000	,,	13.11¼	12.2½	13,408,000	3	3,270,000	1,176,000	13,411,000	1,009,000 E. 2,916,000 B.
11	18,066,000	8,895,000	25.50	13.12	,,	13,679,000	,,	3,223,000	1,176,000	14,686,000	2,455,000 E. 2,568,000 B.
18	17,843,000	9,356,000	25.45	13.11¾	,,	13,920,000	,,	3,262,000	1,148,000	15,164,000	3,842,000 E. 2,292,000 B.
25	17,400,000	9,986,000	25.40	13.12½	12.2¼	14,140,000	,,	3,239,000	1,136,000	15,925,000	4,75[illegible] 000 E. 2,1[illegible] 000 B.
December 2	17,328,000	10,088,000	,,	13.11¾	12.2½	14,267,000	,,	3,226,000	1,106,000	16,026,000	5,113 000 E. 1,9[illegible]6, 000 B.
9	16,962,000	10,772,000	25.42½	13.11¾	12.2¼	14,524,000	,,	3,182,000	1,109,000	16,629,000	5,928,000 E. 1,671,000 B.
16	16,736,000	11,246,000	,,	13.12½	12.2¾	14,790,000	,,	3,221,000	1,072,000	17,158,000	7,039,000 E. 1,653,000 B.
23	16,875,000	11,309,000	25.35	13.12½	12.2¾	15,001,000	,,	3,308,000	1,134,000	17,523,000	7,705,000 E. 1,362,000 B.
30	17,130,000	11,097,000	25.25	13.12	12.2¾	14,955,000	,,	3,380,000	1,190,000	17,470,000	7,828,000 E. 1,453,000 B.
1849:											
January - 6	17,250,000	10,985,000	25.30	13.11½	12.2½	15,025,000	,,	3,287,000	1,159,000	17,234,000	1,602,000 E. 1,634,000 B.
13	18,274,000	9,924,000	25.32½	,,	,,	14,944,000	,,	3,298,000	958,000	15,822,000	1,665,000 E. 3,847,000 B.
20	18,628,000	9,642,000	25.30	,,	12.2½	15,049,000	,,	3,236,000	919,000	15,399,000	1,935,000 E. 4,002,000 B.
27	18,678,000	9,638,000	25.32½	,,	12.2¼	15,042,000	,,	3,129,000	920,000	15,520,000	2,053,000 E. 3,[illegible]76,000 B.

(*continued*)

AN ACCOUNT of Bank Notes of the Bank of England held by the Public; and of - - - - - - - -

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits including Exchequer and London Bankers.	Balances of the Exchequer and of London Bankers included in foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s	Hamburgh.	Amsterdam.						
1849:	£.	£.				£.		£.	£.	£.	£.
February - 3	18,777,000	9,553,000	25.32½	13.11½	12.2½	15,106,000	3	3,137,000	877,000	15,251,000	2,555,000 E. 3,407,000 B.
10	18,338,000	10,109,000	25.35	„	12.2½	15,249,000	„	3,039,000	866,000	15,742,000	3,319,000 E. 3,240,000 B.
17	18,288,000	10,308,000	25.25	13.11¾	12.2¼	15,392,000	„	2,915,000	865,000	15,795,000	4,231,000 E. 2,646,000 B.
24	18,132,000	10,273,000	25.15	13.11½	12.2	15,330,000	„	2,897,000	845,000	15,959,000	4,832,000 E. 1,929,000 B.
March - 3	18,372,000	9,942,000	25.20	13.12½	12.2	15,177,000	„	2,881,000	898,000	16,138,000	5,277,000 E. 1,835,000 B.
10	17,902,000	10,646,000	25.22½	13.12¼	12.2	15,297,000	„	2,792,000	895,000	16,665,000	5,843,000 E. 1,868,000 B.
17	17,699,000	10,853,000	25.20	13.12	12.2	15,284,000	„	2,768,000	970,000	16,840,000	6,174,000 E. 1,753,000 B.
24	17,629,000	10,953,000	25.22½	13.12¼	„	15,323,000	„	2,750,000	967,000	16,883,000	6,762,000 E. 1,090,000 B.
31	17,946,000	10,461,000	„	13.12	12.2½	15,198,000	„	2,774,000	1,560,000	17,118,000	6,876,000 E. 1,226,000 B.
April - - 7	18,282,000	9,738,000	25.25	„	„	14,875,000	„	2,822,000	1,593,000	17,357,000	390,000 E. 1,829,000 B.
14	19,053,000	8,876,000	25.27½	13.12½	„	14,707,000	„	2,752,000	763,000	15,261,000	689,000 E. 3,575,000 B.
21	19,078,000	8,692,000	25.30	13.12¼	12.2¼	14,510,000	„	2,739,000	761,000	14,622,000	614,000 E. 3,690,000 B.
28	19,068,000	8,534,000	„	„	„	14,386,000	„	2,790,000	757,000	14,561,000	932,000 E. 3,702,000 B.
May - - 5	19,214,000	8,281,000	25.27½	13.12	12.2	14,278,000	„	2,818,000	737,000	14,563,000	1,456,000 E. 3,258,000 B.
12	18,956,000	8,505,000	25.30	13.12	„	14,308,000	„	2,733,000	734,000	14,551,000	2,283,000 E. 2,775,000 B.
19	18,715,000	8,803,000	25.25	13.12¼	„	14,351,000	„	2,623,000	709,000	14,788,000	2,888,000 E. 2,044,000 B.
26	18,469,000	9,031,000	25.47½	13.13¼	12.2½	14,397,000	„	2,584,000	719,000	15,126,000	4,279,000 E. 1,971,000 B.
June - - 2	18,361,000	9,192,000	25.42½	13.13	12.2¼	14,442,000	„	2,623,000	719,000	15,348,000	4,718,000 E. 1,811,000 B.
9	18,122,000	9,648,000	25.55	13.12¼	„	14,653,000	„	2,440,000	719,000	15,707,000	5,316,000 E. 1,560,000 B.
16	17,971,000	10,094,000	„	13.12½	„	14,948,000	„	2,454,000	720,000	16,288,000	5,769,000 E. 1,600,000 B.
23	17,867,000	10,437,000	25.35	13.12¾	„	15,188,000	„	2,455,000	714,000	16,718,000	6,511,000 E. 1,498,000 B.
30	17,934,000	10,366,000	„	„	12.2½	15,121,000	„	2,485,000	902,000	16,818,000	6,603,000 E. 1,391,000 B.
July - - 7	18,221,000	9,852,000	25.42½	„	„	14,975,000	„	2,479,000	900,000	16,315,000	381,000 E. 1,267,000 B.
14	19,453,000	8,473,000	25.35	13.13¼	12.2¾	14,768,000	„	2,386,000	686,000	14,572,000	958,000 E. 3,103,000 B.
21	19,723,000	8,111,000	25.37½	„	„	14,717,000	„	2,350,000	689,000	14,112,000	1,134,000 E. 3.087,000 B.
28	19,497,000	8,250,000	25.32½	13.12½	12.2½	14,621,000	„	2,328,000	698,000	14,257,000	1,398,000 E. 2,655,000 B.
August - 4	19,243,000	8,252,000	25.37½	13.12¼	„	14,433,000	„	2,332,000	665,000	14,142,000	2,052,000 E. 2,192,000 B.
11	18,746,000	8,903,000	25.35	13.12½	12.2½	14,561,000	„	2,310,000	668,000	14,666,000	3,305,000 E. 1,524,000 B.
18	18,880,000	8,756,000	25.37½	13.13	„	14,582,000	„	2,290,000	1,011,000	14,964,000	4,394,000 E. 1,619,000 B.
25	18,451,000	9,339,000	25.40	13.13	12.2¾	14,760,000	„	2,284,000	972,000	15,654,000	5,085,000 E. 1,552,000 B.

Bank Notes of the Bank of England held in Reserve by the Bank of England, &c.—*continued.*

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances of the Exchequer and of London Bankers included in foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1849:	£.	£.				£.		£.	£.	£.	£.
September 1	18,449,000	9,470,000	25.42½	13.13	12.3	14,776,000	3	2,291,000	790,000	15,607,000	5,363,000 E. 1,424,000 B.
8	18,066,000	9,842,000	,,	,,	12.3½	14,803,000	,,	2,291,000	789,000	16,038,000	6,030,000 E. 1,236,000 B.
15	17,665,000	10,246,000	25.45	13.13½	12.4	14,860,000	,,	2,321,000	1,138,000	16,765,000	6,801,000 E. 1,258,000 B.
22	17,433,000	10,814,000	25.47½	13.14	12.4¼	15,115,000	,,	2,308,000	1,465,000	17,642,000	7,647,000 E. 1,140,000 B.
29	18,131,000	10,161,000	25.50	13.14½	12.4¾	15,254,000	,,	2,416,000	2,142,000	17,870,000	8,216,000 E. 1,087,000 B.
October 6	18,030,000	10,238,000	,,	13.14¼	12.4½	15,119,000	,,	2,463,000	2,470,000	18,133,000	8,207,000 E. 1,153,000 B.
13	18,583,000	9,567,000	25.47½	13.13¾	12.3¾	15,082,000	,,	2,410,000	1,541,000	16,682,000	1,565,000 E. 2,784,000 B.
20	19,048,000	9,204,000	,,	13.13¾	12.3¾	15,040,000	,,	2,447,000	607,000	15,234,000	1,997,000 E. 2,290,000 B.
27	18,951,000	9,520,000	25.45	,,	12.3¼	15,259,000	,,	2,460,000	588,000	15,597,000	2,563,000 E. 2,263,000 B.
November 3	18,881,000	9,725,000	25.47½	13.14	12.3½	15,476,000	,,	2,393,000	583,000	15,747,000	3,202,000 E. 1,930,000 B.
10	18,416,000	10,402,000	25.50	13.14¼	12.3½	15,821,000	,,	2,368,000	593,000	16,574,000	4,480,000 E. 2,173,000 B.
17	18,182,000	11,028,000	,,	13.14¼	12.3¼	16,038,000	,,	2,351,000	597,000	17,161,000	5,588,000 E. 2,191,000 B.
24	17,999,000	11,571,000	25.47½	13.14	,,	16,380,000	2½	2,308,000	591,000	17,554,000	6,849,000 E. 1,676,000 B.
December 1	18,027,000	11,693,000	,,	13.14¼	,,	16,512,000	,,	2,314,000	713,000	17,853,000	7,237,000 E. 1,697,000 B.
8	17,922,000	12,062,000	25.45	13.14	12.2¾	16,773,000	,,	2,363,000	911,000	18,451,000	7,756,000 E. 1,678,000 B.
15	17,953,000	12,185,000	25.40	13.13¾	12.2¼	16,991,000	,,	2,375,000	1,686,000	19,459,000	8,377,000 E. 2,028,000 B.
22	17,803,000	12,481,000	,,	13.12¼	,,	17,081,000	,,	2,380,000	1,732,000	19,752,000	9,203,000 E. 1,419,000 B.
29	18,227,000	12,012,000	25.45	13.12½	12.2½	17,016,000	,,	2,443,000	2,290,000	19,924,000	9,429,000 E. 1,542,000 B.
1850:											
January 5	18,257,000	12,011,000	25.40	13.12	12.2¼	17,020,000	,,	2,500,000	2,438,000	20,057,000	9,437,000 E. 1,933,000 B.
12	19,086,000	10,990,000	,,	13.12¼	12.2¼	16,814,000	,,	2,410,000	959,000	17,216,000	3,266,000 E. 3,043,000 B.
19	19,333,000	10,731,000	25.37½	13.11¼	12.2	16,816,000	,,	2,366,000	747,000	16,670,000	3,496,000 E. 2,907,000 B.
26	19,706,000	10,355,000	25.42½	13.11½	12.2½	16,784,000	,,	2,345,000	798,000	16,305,000	3,708,000 E. 2,632,000 B.
February 2	19,625,000	10,479,000	25.40	13.12¾	,,	16,811,000	,,	2,445,000	694,000	16,319,000	4,090,000 E. 2,592,000 B.
9	19,421,000	10,704,000	25.42½	,,	12.2¾	16,850,000	,,	2,427,000	557,000	16,432,000	4,854,000 E. 2,253,000 B.
16	19,187,000	11,154,000	25.45	13.13¼	,,	17,090,000	,,	2,347,000	582,000	16,936,000	5,829,000 E. 1,648,000 B.
23	18,889,000	11,438,000	,,	13.13	,,	17,122,000	,,	2,388,000	575,000	17,388,000	6,534,000 E. 1,527,000 B.
March 2	19,008,000	11,368,000	25.42½	13.13¼	12.2½	17,126,000	,,	2,493,000	690,000	17,720,000	6,860,000 E. 1,770,000 B.
9	18,828,000	11,519,000	25.45	13.13½	,,	17,133,000	,,	2,378,000	1,251,000	18,345,000	7,262,000 E. 1,498,000 B.
16	19,009,000	11,478,000	25.50	13.13¼	,,	17,273,000	,,	2,373,000	1,721,000	18,803,000	7,655,000 E. 1,941,000 B.
23	18,619,000	11,854,000	25.47½	,,	12.2	17,280,000	,,	2,363,000	1,706,000	19,185,000	8,308,000 E. 1,609,000 B.
30	19,452,000	10,849,000	25.55	13.13¾	12.3¼	17,079,000	,,	2,358,000	2,685,000	19,098,000	8,604,000 E. 1,539,000 B.

(*continued.*)

An Account of Bank Notes of the Bank of England held by the Public; and of - - - - - -

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances of the Exchequer and of London Bankers included in foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1850:	£.	£.				£.		£.	£.	£.	£.
April - 6	19,374,000	10,816,000	25.50	13.13½	12.3½	16,936,000	2½	2,354,000	2,648,000	19,280,000	1,682,000 E. 1,942,000 B.
13	20,048,000	9,997,000	25.52½	13.13⅛	,,	16,759,000	,,	2,369,000	602,000	15,884,000	1,792,000 E. 2,660,000 B.
20	20,335,000	9,538,000	25.55	13.13	12.3¼	16,630,000	,,	2,371,000	613,000	15,574,000	2,347,000 E. 2,875,000 B.
27	20,296,000	9,642,000	,,	13.13¼	12.3½	16,647,000	,,	2,315,000	616,000	15,601,000	2,661,000 E. 2,533,000 B.
May - - 4	20,107,000	9,817,000	,,	13.13	12.3¼	16,573,000	,,	2,336,000	646,000	15,647,000	3,191,000 E. 2,090,000 B.
11	19,901,000	9,927,000	25.60	,,	,,	16,565,000	,,	2,256,000	658,000	15,776,000	4,115,000 E. 2,006,000 B.
18	19,469,000	10,494,000	25.70	,,	12.3⅜	16,631,000	,,	2,282,000	630,000	16,347,000	5,335,000 E. 1,949,000 B.
25	19,043,000	10,885,000	25.57½	13.12½	12.3½	16,702,000	,,	2,207,000	656,000	16,895,000	6,178,000 E. 1,875,000 B.
June - - 1	19,215,000	10,788,000	25.50	13.12½	12.3¼	16,738,000	,,	2,261,000	676,000	16,793,000	6,612,000 E. 1,531,000 B.
8	19,165,000	10,922,000	25.52½	13.12⅜	,,	16,866,000	,,	2,267,000	1,184,000	17,484,000	7,155,000 E. 1,522,000 B.
15	19,460,000	10,739,000	25.55	13.12½	12.3½	16,942,000	,,	2,293,000	1,900,000	18,062,000	7,533,000 E. 1,783,000 B.
22	18,853,000	11,339,000	25.45	13.11¾	12.4¼	16,967,000	,,	2,282,000	1,964,000	18,746,000	8,511,000 E. 1,553,000 B.
29	19,301,000	10,925,000	,,	13.11¼	12.3½	16,957,000	,,	2,399,000	2,413,000	18,847,000	8,937,000 E. 1,418,000 B.
July - - 6	19,457,000	10,696,000	25.42½*	13.12	12.3½	16,869,000	,,	2,414,000	2,531,000	18,838,000	2,423,000 E. 1,653,000 B.
13	20,274,000	9,770,000	25.40	,,	12.3¼	16,844,000	,,	2,501,000	1,037,000	16,354,000	2,731,000 E. 2,807,000 B.
20	20,568,000	9,689,000	,,	13.11¾	12.2⅞	16,911,000	,,	2,500,000	706,000	15,768,000	2,852,000 E. 2,754,000 B.
27	20,761,000	9,421,000	25.32½	13.11¼	,,	16,842,000	,,	2,524,000	676,000	15,427,000	3,267,000 E. 2,140,000 B.
August - 3	20,714,000	9,477,000	,,	13.11	12.2¼	16,822,000	,,	2,509,000	677,000	15,457,000	3,936,000 E. 1,901,000 B.
10	20,149,000	9,978,000	25.35	13.10¾	,,	16,802,000	,,	2,496,000	684,000	16,001,000	4,856,000 E. 1,604,000 B.
17	19,827,000	10,377,000	25.32½	13.10½	12.2½	16,854,000	,,	2,557,000	1,076,000	16,831,000	6,005,000 E. 1,683,000 B.
24	19,620,000	10,597,000	25.30	13.11	12.2¼	16,856,000	,,	2,566,000	1,201,000	17,305,000	6,913,000 E. 1,411,000 B.
31	19,683,000	10,421,000	25.32½	13.11¼	12.2¼	16,770,000	,,	2,603,000	1,465,000	17,542,000	7,370,000 E. 1,465,000 B.
September 7	19,482,000	10,619,000	25.30	13.11	12.2¼	16,707,000	,,	2,781,000	1,577,000	17,992,000	7,862,000 E. 1,450,000 B.
14	19,242,000	10,947,000	,,	13.11½	,,	16,795,000	,,	2,832,000	1,744,000	18,522,000	8,473,000 E. 1,486,000 B.
21	18,862,000	11,314,000	,,	13.10¼	12.2	16,812,000	,,	2,817,000	2,015,000	19,191,000	9,302,000 E. 1,321,000 B.
28	19,033,000	11,050,000	25.27½	13.10½	12.1¼	16,707,000	,,	2,852,000	2,769,000	19,732,000	9,934,000 E. 1,144,000 B.
October - 5	19,304,000	10,527,000	25.25	13.10	12.1	16,452,000	,,	2,951,000	3,127,000	19,552,000	9,830,000 E. 1,330,000 B.
12	19,467,000	10,231,000	,,	13.9¼	12.	16,305,000	,,	2,908,000	2,985,000	19,545,000	3,122,000 E. 1,345,000 B.
19	20,140,000	9,304,000	25.17½	13.9½	11.19½	16,015,000	,,	2,958,000	677,000	15,835,000	3,537,000 E. 1,959,000 B.
26	19,820,000	9,587,000	25.17½	13.10¼	11.19½	15,973,000	,,	2,943,000	686,000	16,193,000	4,052,000 E. 1,897,000 B.

Bank Notes of the Bank of England held in Reserve by the Bank of England, &c.—*continued.*

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances of the Exchequer and of London Bankers included in foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1850:	£.	£.				£.		£.	£.	£.	£.
November 2	19,722,000	9,703,000	25.15	13.9½	11.18⅜	16,025,000	2½	2,948,000	690,000	16,527,000	4,758,000 E. 1,817,000 B.
9	19,264,000	10,151,000	25.12½	13.8½	11.18¼	16,096,000	,,	2,970,000	702,000	17,021,000	5,241,000 E. 1,577,000 B.
16	19,102,000	10,397,000	,,	13.7¾	11.18	16,176,000	,,	3,061,000	962,000	17,626,000	6,774,000 E. 1,478,000 B.
23	18,602,000	10,983,000	25.10	13.4⅜	11.16½	16,220,000	,,	3,272,000	1,158,000	18,599,000	7,861,000 E. 1,335,000 B.
30	18,607,000	10,763,000	25.0	13.7	11.16	16,010,000	,,	3,564,000	1,612,000	19,189,000	8,404,000 E. 1,610,000 B.
December 7	18,707,000	10,642,000	,,	13.7	11.15¾	15,942,000	,,	3,695,000	1,740,000	19,287,000	8,799,000 E. 1,590,000 B.
14	18,280,000	10,903,000	24.95	13.6	11.16	15,820,000	,,	3,740,000	1,627,000	19,550,000	9,246,000 E. 1,418,000 B.
21	18,496,000	10,234,000	24.87½	13.4⅜	11.16¼	15,359,000	,,	3,956,000	2,464,000	19,985,000	9,878,000 E. 1,188,000 B.
28	18,574,000	9,778,000	,,	13.6	11.16¼	14,964,000	3	4,231,000	2,910,000	20,170,000	10,209,000 E. 1,100,000 B.
1851:											
January 4	19,037,000	9,236,000	24.95	13.6¼	11.17½	14,830,000	,,	4,533,000	3,327,000	20,277,000	10,004,000 E. 1,369,000 B.
11	19,878,000	8,132,000	24.97½	13.6¼	11.18	14,642,000	,,	4,534,000	1,696,000	17,431,000	3,790,000 E. 2,484,000 B.
18	19,947,000	7,971,000	24.90	13.5	11.17¼	14,526,000	,,	4,470,000	867,000	16,365,000	3,995,000 E. 2,282,000 B.
25	19,492,000	8,299,000	24.92½	13.6	11.17½	14,431,000	,,	4,215,000	889,000	16,478,000	4,114,000 E. 2,321,000 B.
February 1	19,630,000	8,074,000	24.95	13.6½	11.18	14,347,000	,,	4,067,000	768,000	15,839,000	4,580,000 E. 1,651,000 B.
8	19,175,000	8,463,000	24.9 ½	13.6¾	11.17	14,278,000	,,	3,943,000	778,000	16,084,000	5,386,000 E. 1,393,000 B.
15	18,910,000	8,848,000	24.97½	13.6½	11.17	14,474,000	,,	3,903,000	898,000	16,588,000	5,896,000 E. 1,657,000 B.
22	18,713,000	9,049,000	25.	13.6¼	11.17⅛	14,436,000	,,	4,115,000	907,000	17,115,000	6,577,000 E. 1,651,000 B.
March 1	19,236,000	8,537,000	25.2½	13.7½	11.17⅛	14,448,000	,,	4,483,600	1,191,000	17,316,000	6,778,000 E. 1,580,000 B.
8	18,994,000	8,739,000	,,	13.7¾	11.17½	14,424,000	,,	4,271,000	1,259,000	17,379,000	7,116,000 E. 1,484,000 B.
15	18,756,000	8,956,000	,,	13.7½	11.17⅜	14,416,000	,,	4,249,000	1,163,000	17,516,000	7,334,000 E. 1,460,000 B.
22	18,495,000	9,221,000	24.95	13.7½	11.17	14,399,000	,,	4,220,000	1,200,000	17,780,000	7,873,000 E. 1,151,000 B.
29	18,962,000	8,594,000	,,	13.7	11.16½	14,246,000	,,	4,239,000	2,331,000	18,266,000	8,228,000 E. 1,302,000 B.
April 5	19,065,000	8,229,000	24.97½	13.7	,,	13,907,000	,,	4,301,000	2,368,000	18,439,000	7,954,000 E. 1,354,000 B.
12	19,946,000	7,020,000	25.	13.7¼	11.16¾	13,590,000	,,	4,168,000	744,000	14,888,000	1,459,000 E. 2,375,000 B.
19	19,847,000	6,887,000	,,	13.8¼	11.17¼	13,342,000	,,	4,036,000	623,000	14,359,000	1,753,000 E. 2,288,000 B.
26	19,869,000	6,793,000	25.5	,,	,,	13,290,000	,,	3,926,000	609,000	14,122,000	2,200,000 E. 1,883,000 B.
May 3	19,685,000	6,957,000	25.	13.7½	11.17	13,254,000	,,	3,855,000	680,000	14,326,000	2,878,000 E. 1,749,000 B.
10	19,453,000	7,196,000	24.95	,,	,,	13,272,000	,,	3,872,000	691,000	14,118,000	3,397,000 E. 1,425,000 B.
17	19,126,000	7,579,000	24.97½	,,	11.17½	13,356,000	,,	4,142,000	840,000	14,939,000	4,414,000 E. 1,358,000 B.
24	19,027,000	7,879,000	25.	13.8	11.18	13,568,000	,,	4,307,000	941,000	15,326,000	5,326,000 E. 1,180,000 B.
31	19,398,000	7,615,000	,,	13.8¼	11.18¼	13,705,000	,,	4,582,000	1,195,000	15,695,000	5,544,000 E. 1,398,000 B.

An Account of Bank Notes of the Bank of England held by the Public; and of - - - - - - - - -

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances of the Exchequer and of London Bankers included in foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3d/s.	Hamburgh.	Amsterdam.						
1851:	£.	£.				£.		£.	£.	£.	£.
June - 7	19,008,000	8,190,000	25.	13.8	11.18	13,837,000	3	4,695,000	1,091,000	16,215,000	6,410,000 E. 1,267,000 B.
14	18,881,000	8,417,000	,,	13.7½	11.18	13,926,000	,,	4,722,000	1,323,000	16,717,000	6,677,000 E. 1,262,000 B.
21	18,915,000	8,532,000	,,	13.7¼	11.17½	14,198,000	,,	4,626,000	1,817,000	17,349,000	7,598,000 E. 1,310,000 B.
28	19,256,000	8,437,000	,,	13.7½	11.17½	14,318,000	,,	4,712,000	2,659,000	18,115,000	7,809,000 E. 1,471,000 B.
July - 5	19,545,000	8,037,000	,,	13.7¾	11.17¾	14,213,000	,,	4,649,000	2,738,000	17,627,000	8,202,000 E. 1,230,000 B.
12	20,191,000	7,259,000	,,	13.8¼	11.18¼	14,018,000	,,	4,550,000	1,016,000	14,760,000	1,818,000 E. 2,549,000 B.
19	20,634,000	6,650,000	24.97½	13.7¾	11.18	13,863,000	,,	4,533,000	653,000	13,541,000	2,186,000 E. 1,982,000 B.
26	20,516,000	6,709,000	,,	13.7¾	,,	13,817,000	,,	4,439,000	583,000	13,393,000	2,616,000 E. 1,495,000 B.
August - 2	20,346,000	6,922,000	25.	13.8	,,	13,895,000	,,	4,538,000	669,000	13,761,000	3,274,000 E. 1,528,000 B.
9	20,151,000	7,190,000	,,	13.8¾	,,	13,954,000	,,	4,617,000	869,000	14,233,000	4,082,000 E. 1,384,000 B.
16	20,132,000	7,412,000	25.02½	13.8¾	11.18¼	14,177,000	,,	5,122,000	983,000	15,011,000	5,137,000 E. 1,404,000 B.
23	19,745,000	7,878,000	25.10	,,	11.18	14,228,000	,,	5,333,000	957,000	15,668,000	6,136,000 E. 1,642,000 B.
30	19,716,000	8,047,000	25.05	,,	11.18¾	14,362,000	,,	5,393,000	1,025,000	16,133,000	6,539,000 E. 1,462,000 B.
September 6	19,363,000	8,344,000	25.10	13.9¼	11.19¼	14,290,000	,,	5,416,000	811,000	16,215,000	6,995,000 E. 1,142,000 B.
13	19,111,000	8,827,000	,,	13.9½	11.19¾	14,516,000	,,	5,511,000	960,000	16,951,000	7,763,000 E. 1,296,000 B.
20	18,952,000	9,123,000	25.17½	13.10¼	,,	14,665,000	,,	5,707,000	1,102,000	17,594,000	8,471,000 E. 1,232,000 B.
27	19,178,000	9,178,000	25.20	13.11	12.0½	14,953,000	,,	5,866,000	1,291,000	18,116,000	9,001,000 E. 1,183,000 B.
October - 4	19,458,000	8,958,000	,,	13.10¾	12.0¼	14,991,000	,,	5,883,000	1,668,000	18,213,000	8,751,000 E. 1,253,000 B.
11	19,572,000	8,883,000	25.22¼	13.10	,,	15,051,000	,,	5,782,000	1,434,000	18,412,000	2,275,000 E. 1,471,000 B.
18	20,676,000	7,782,000	25.25	13.10½	12.	15,055,000	,,	5,538,000	571,000	15,736,000	2,298,000 E. 3,094,000 B.
25	20,698,000	7,917,000	,,	13.11	,,	15,232,000	,,	5,320,000	572,000	15,650,000	2,807,000 E. 2,782,000 B.
November 1	20,469,000	8,175,000	,,	,,	11.19¾	15,290,000	,,	5,071,000	576,000	15,775,000	3,424,000 E. 2,741,000 B.
8	20,122,000	8,561,000	25.20	,,	11.19¼	15,259,000	,,	4,674,000	570,000	15,635,000	4,287,000 E. 2,182,000 B.
15	19,585,000	9,529,000	25.17½	13.10½	11.18¾	15,695,000	,,	4,316,000	520,000	16,247,000	5,270,000 E. 2,016,000 B.
22	19,355,000	10,104,000	25.10	13.10½	11.18¾	16,020,000	,,	4,074,000	533,000	16,591,000	5,973,000 E. 1,526,000 B.
29	19,224,000	10,312,000	,,	,,	,,	16,134,000	,,	3,908,000	709,000	16,875,000	6,442,000 E. 1,446,000 B.
December 6	18,855,000	11,048,000	25.25	13.10¾	11.19	16,519,000	,,	3,826,000	744,000	17,617,000	6,935,000 E. 1,743,000 B.
13	18,889,000	11,391,000	25.17½	13.10¼	11.18	16,921,000	,,	3,830,000	644,000	17,893,000	7,364,000 E. 1,571,000 B.
20	18,676,000	12,142,000	,,	13.10	,,	17,414,000	,,	3,634,000	750,000	18,563,000	8,036,000 E. 1,520,000 B.
27	18,720,000	12,024,000	,,	,,	11.18¼	17,320,000	,,	3,571,000	1,097,000	18,902,000	8,683,000 E. 1,638,000 B.

Bank Notes of the Bank of England held in Reserve by the Bank of England, &c.—*continued.*

—	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances of the Exchequer and of London Bankers included in foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1852:	£.	£.				£.		£.	£.	£.	£.
January - 3	19,285,000	11,707,000	25.26	13.10	11.19	17,558,000	2½	3,623,000	1,515,000	18,819,000	8,431,000 E. 1,537,000 B.
10	20,241,000	10,787,000	25.27½	13.10¾	11.19¾	17,516,000	,,	3,598,000	1,102,000	17,294,000	2,234,000 E. 3,644,000 B.
17	21,038,000	10,113,000	25.25	13.11	11.19¼	17,725,000	,,	3,569,000	622,000	16,372,000	2,583,000 E. 3,007,000 B.
24	20,640,000	10,742,000	25.22½	13.10¾	11.18¾	17,934,000	,,	3,502,000	645,000	16,955,000	2,759,000 E. 3,608,000 B.
31	20,739,000	10,919,000	25.30	13.10½	11.19¼	18,215,000	,,	3,479,000	610,000	17,195,000	3,090,000 E. 3,560,000 B.
February 7	20,348,000	11,364,000	25.25	,,	11.19¾	18,282,000	,,	3,459,000	538,000	17,393,000	3,615,000 E. 3,577,000 B.
14	20,708,000	11,386,000	25.27½	,,	12.0	18,596,000	,,	3,421,000	496,000	17,478,000	4,301,000 E. 3,113,000 B.
21	20,188,000	12,229,000	25.25	,,	,,	18,948,000	,,	3,248,000	496,000	18,308,000	5,048,000 E. 3,248,000 B.
28	20,523,000	12,209,000	25.32½	13.11¼	12.1	19,239,000	,,	3,245,000	493,000	18,382,000	5,467,000 E. 2,887,000 B.
March - 6	20,237,000	12,660,000	,,	13.11¼	12.0⅞	19,410,000	,,	3,104,000	484,000	19,027,000	5,739,000 E. 3,293,000 B.
13	20,235,000	12,913,000	25.30	,,	12.0⅞	19,674,000	,,	3,129,000	471,000	19,524,000	5,917,000 E. 3,673,000 B.
20	19,980,000	13,196,000	25.35	13.11	12.1	19,746,000	,,	3,033,000	460,000	19,821,000	6,389,000 E. 3,262,000 B.
27	20,150,000	13,140,000	25.32½	13.11¼	12.1¼	19,816,000	,,	2,984,000	471,000	19,624,000	6,934,000 E. 2,725,000 B.
April - - 3	20,687,000	12,397,000	,,	13.11	12.1¼	19,597,000	,,	2,994,000	470,000	18,879,000	6,664,000 E. 2,512,000 B.
10	21,208,000	11,526,000	25.37½	13.11¼	12.1⅜	19,245,000	,,	2,935,000	473,000	18,758,000	1,059,000 E. 4,981,000 B.
17	22,056,000	11,024,900	25.40	13.11½	12.2	19,560,000	,,	2,883,000	389,000	17,172,000	780,000 E. 4,802,000 B.
24	21,599,000	11,500,000	,,	13.11¼	12.2¼	19,588,000	2	2,838,000	390,000	17,466,000	958,000 E. 4,890,000 B.
May - - 1	21,832,000	11,586,000	,,	,,	12.2⅜	19,901,000	,,	2,866,000	395,000	17,561,000	1,217,000 E. 4,781,000 B.
8	21,845,000	11,887,000	25.42½	13.11½	12.2¼	20,231,000	,,	2,798,000	404,000	17,657,000	1,837,000 E. 4,588,000 B.
15	21,670,000	12,149,000	,,	13.11½	12.2¼	20,305,000	,,	2,802,000	364,000	17,952,000	2,615,000 E. 4,141,000 B.
22	21,304,000	12,805,000	25.45	13.11½	,,	20,629,000	,,	2,694,000	368,000	18,921,000	3,746,000 E. 3,963,000 B.
29	21,645,000	12,542,000	,,	,,	12.2½	20,687,000	,,	2,714,000	344,000	18,749,000	4,283,000 E. 3,387,000 B.
June - - 5	21,685,000	12,667,000	25.40	13.11	12.2	20,839,000	,,	2,725,000	251,000	19,151,000	5,156,000 E. 3,217,000 B.
12	21,285,000	13,440,000	,,	13.10¾	12.1½	21,184,000	,,	2,695,000	471,000	19,771,000	5,129,000 E. 3,305,000 B.
19	21,137,000	13,516,000	25.37½	13.10½	12.1⅜	21,435,000	,,	2,699,000	461,000	19,888,000	5,847,000 E. 2,783,000 B.
26	21,342,000	14,245,000	25.30	13.10	12.1¼	22,043,000	,,	2,685,000	458,000	20,431,000	6,763,000 E. 2,473,000 B.
July - - 3	22,241,000	13,534,000	25.25	13.9¾	12.1	22,197,000	,,	2,759,000	1,273,000	20,616,000	6,836,000 E. 2,959,000 B.
10	23,380,000	12,499,000	25.32½	13.10¼	12.1⅛	22,232,000	,,	2,776,000	927,000	19,338,000	954,000 E. 4,859,000 B.
17	23,748,000	11,911,000	25.25	13.9¾	12.1¼	21,989,000	,,	2,728,000	263,000	17,793,000	1,117,000 E. 4,214,000 B.
24	23,231,000	12,477,000	,,	13.9¾	12.0⅞	22,065,000	,,	2,827,000	274,000	18,267,000	1,170,000 E. 4,030,000 B.
31	23,479,000	11,850,000	25.27½	13.8¾	12.1¼	21,710,000	,,	2,860,000	272,000	17,702,000	1,537,000 E. 3,817,000 B.

(*continued*)

AN ACCOUNT of Bank Notes of the Bank of England held by the Public; and of - - - - - - - - -

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances of the Exchequer and of London Bankers included in foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1852:	£.	£.				£.		£.	£.	£.	£.
August - 7	23,040,000	12,116,000	25.25	13.9½	12.1½	21,474,000	2	2,818,000	246,000	17,710,000	2,400,000 E. 3,434,000 B.
14	22,953,000	12,667,000	25.27½	13.9¼	12.1	21,926,000	„	2,795,000	246,000	18,632,000	3,379,000 E. 3,592,000 B.
21	22,760,000	12,665,000	„	13.9½	12.1¼	21,874,000	„	2,759,000	243,000	18,790,000	4,622,000 E. 3,178,000 B.
28	22,620,000	12,825,000	25.25	„	12.1	21,914,000	„	2,716,000	243,000	18,957,000	5,364,000 E. 2,805,000 B.
September 4	22,811,000	12,543,000	„	13.9¼	12.0½	21,853,000	„	2,713,000	188,000	18,804,000	5,748,000 E. 2,219,000 B.
11	22,086,000	13,264,000	„	13.9¼	12.0¼	21,894,000	„	2,674,000	284,000	19,619,000	6,365,000 E. 2,319,000 B.
18	21,953,000	13,202,000	„	13.9	12.0½	21,867,000	„	2,694,000	472,000	19,930,000	7,169,000 E. 2,165,000 B.
25	21,513,000	13,620,000	„	13.9	12.0½	21,812,000	„	2,718,000	790,000	20,631,000	8,055,000 E. 1,888,000 B.
October - 2	22,244,000	12,746,000	25.27½	13.8½	„	21,554,000	„	2,907,000	1,437,000	20,468,000	8,131,000 E. 2,092,000 B.
9	22,252,000	12,656,000	„	„	12.0¼	21,718,000	„	2,905,000	1,452,000	20,569,000	8,440,000 E. 2,118,000 B.
16	23,660,000	11,392,000	„	13.8	12.0¼	21,670,000	„	2,965,000	255,000	18,006,000	1,776,000 E. 3,429,000 B.
23	23,160,000	11,576,000	25.20	13.7¾	12.0	21,244,000	„	2,936,000	275,000	18,120,000	2,245,000 E. 3,570,000 B.
30	23,813,000	10,954,000	25.15	13.8	11.19½	21,158,000	„	2,970,000	283,000	17,466,000	2,507,000 E. 2,846,000 B.
November 6	23,351,000	11,242,000	„	13.7½	11.18½	20,895,000	„	3,035,000	263,000	17,694,000	3,106,000 E. 2,683,000 B.
13	23,202,000	11,497,000	„	13.7	11.18	21,273,000	„	3,127,000	292,000	18,340,000	4,254,000 E. 2,497,000 B.
20	22,671,000	12,127,000	„	„	11.19	21,322,000	„	3,224,000	307,000	19,076,000	5,142,000 E. 2,326,000 B.
27	22,703,000	12,506,000	25.20	„	11.18½	21,708,000	„	3,325,000	514,000	19,752,000	6,021,000 E. 2,574,000 B.
December 4	22,723,000	12,524,000	25.17½	13.6¾	11.18¼	21,808,000	„	3,390,000	873,000	20,337,000	6,489,000 E. 2,669,000 B.
11	22,556,000	12,415,000	25.15	13.4¾	11.17¾	21,510,000	„	3,440,000	974,000	20,462,000	6,967,000 E. 2,306,000 B.
18	22,236,000	12,250,000	25.07½	13.5½	11.17¾	21,165,000	„	3,593,000	1,562,000	21,145,000	7,639,000 E. 2,188,000 B.
24	22,226,000	11,846,000	25.05	13.5¼	11.18	20,749,000	„	3,654,000	2,285,000	21,562,000	8,012,000 E. 1,841,000 B.
1853:											
January - 1	23,054,000	10,960,000	24.97½	13.5¾	11.17¾	20,528,000	„	4,286,000	3,299,000	22,260,000	8,337,000 E. 2,514,000 B.
8	23,361,000	9,809,000	25.0	„	11.18	19,766,000	2½	4,158,000	2,258,000	20,083,000	2,328,000 E. 3,683,000 B.
15	23,662,000	9,004,000	25.02½	13.6	11.18¼	19,149,000	„	4,798,000	881,000	18,224,000	2,617,000 E. 2,290,000 B.
22	23,474,000	9,444,000	„	13.6	11.19¼	19,405,000	3	4,898,000	706,000	18,726,000	2,906,000 E. 2,380,000 B.
29	22,984,000	9,511,000	25.05	„	11.19	19,043,000	„	4,610,000	671,000	18,302,000	3,524,000 E. 2,360,000 B.
February 5	22,695,000	9,339,000	„	13.6½	„	18,701,000	„	4,686,000	663,000	18,174,000	4,057,000 E. 2,216,000 B.
12	22,305,000	9,495,000	„	13.7¼	11.19	18,402,000	„	4,772,000	656,000	18,252,000	4,914,000 E. 1,776,000 B.
19	22,081,000	9,667,000	25.07½	13.8¼	„	18,315,000	„	5,423,000	593,000	18,820,000	5,628,000 E. 1,688,000 B.
26	21,990,000	9,662,000	„	13.8	„	18,191,000	„	5,845,000	989,000	19,460,000	5,973,000 E. 1,908,000 B.

\- - - - - - Bank Notes of the Bank of England held in Reserve by the Bank of England, &c.—*continued.*

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances of the Exchequer and of London Bankers included in foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1853:	£.	£.				£.		£.	£.	£.	£.
March - 5	22,276,000	10,086,000	25.07½	13.8	11.19	18,894,000	3	5,978,000	1,178,000	19,935,000	6,215,000 E. 1,932,000 B.
12	21,713,000	10,666,000	25.05	„	„	18,978,000	„	5,919,000	1,235,000	20,659,000	6,506,000 E. 2,080,000 B.
19	21,465,000	11,132,000	25.02½	13.8½	„	19,163,000	„	6,062,000	1,146,000	21,078,000	7,019,000 E. 1,874,000 B.
26	21,794,000	10,790,000	25.05	„	11.19¼	19,123,000	„	5,924,000	1,772,000	21,191,000	7,526,000 E. 1,589,000 B.
April - 2	22,387,000	10,183,000	25.02½	13.8¼	11.19¼	19,007,000	„	6,247,000	1,803,000	20,924,000	7,209,000 E. 1,870,000 B.
9	22,977,000	9,839,000	25.05	13.8	11.19	19,226,000	„	5,998,000	811,000	19,667,000	1,031,000 E. 3,555,000 B.
16	23,613,000	8,907,000	25.02½	13.8¼	„	18,793,000	„	5,644,000	362,000	17,403,000	1,134,000 E. 2,529,000 B.
23	23,408,000	8,584,000	25.05½	13.8	11.18¾	18,554,000	„	5,174,000	336,000	16,920,000	1,509,000 E. 2,395,000 B.
30	23,125,000	8,684,000	25.02½	„	11.18¼	18,355,000	„	5,092,000	331,000	16,857,000	1,841,000 E. 2,182,000 B.
May - 7	23,470,000	8,274,000	„	13.8½	11.18	18,225,000	„	5,117,000	490,000	16,467,000	2,436,000 E. 1,785,000 B.
14	23,163,000	8,428,000	„	„	11.18¼	18,219,000	„	5,268,000	655,000	17,107,000	3,610,000 E. 1,691,000 B.
21	22,639,000	8,734,000	25.07½	„	11.18½	17,951,000	„	5,210,000	1,107,000	17,769,000	4,507,000 E. 1,803,000 B.
28	22,582,000	8,872,000	25.05	„	11.19	17,945,000	„	5,192,000	1,109,000	17,542,000	4,593,000 E. 1,730,000 B.
June - 4	23,423,000	8,367,000	25.02½	„	„	18,254,000	3½	5,703,000	1,206,000	17,538,000	3,771,000 E. 2,471,000 B.
11	23,083,000	8,908,000	„	„	„	18,480,000	„	5,411,000	1,120,000	17,771,000	2,885,000 E. 3,029,000 B.
	22,696,000	9,420,000	„	„	„	18,636,000	„	5,253,000	732,000	17,790,000	3,639,000 E. 2,504,000 B.
25	22,632,000	9,563,000	„	13.8¼	„	18,665,000	„	5,153,000	907,000	17,865,000	4,662,000 E. 1,733,000 B.
July - 2	22,848,000	9,204,000	25.0	13·7¼	11.18½	18,554,000	„	5,393,000	1,344,000	18,120,000	4,759,000 E. 2,177,000 B.
9	23,807,000	8,102,000	25.02½	13.7¼	11.18½	18,264,000	„	5,200,000	779,000	17,462,000	1,070,000 E. 2,793,000 B.
16	23,888,000	7,662,000	„	13.6¾	11.18	18,023,000	„	5,084,000	261,000	15,755,000	680,000 E. 2,590,000 B.
23	23,627,000	7,833,000	25.	13.7	„	17,829,000	„	4,559,000	277,000	15,029,000	660,000 E. 2,522,000 B.
30	23,352,000	7,971,000	24.97½	„	„	17,739,000	„	4,525,000	228,000	14,930,000	824,000 E. 2,360,000 B.
August - 6	23,523,000	7,529,000	24.95	13.7¼	„	17,435,000	„	4,992,000	536,000	14,694,000	1,021,000 E. 1,862,000 B.
13	23,100,000	7,863,000	24.97½	13.7	„	17,310,000	„	5,292,000	613,000	15,505,000	2,040,000 E. 1,915,000 B.
20	23,003,000	7,645,000	25.0	13.7	11.18¼	17,172,000	„	5,584,000	596,000	15,687,000	2,960,000 E. 2,133,000 B.
27	22,776,000	7,756,000	24.95	13.6¼	11.17¾	16,963,000	„	5,457,000	590,000	15,735,000	3,745,000 E. 2,063,000 B.
September 3	22,466,000	7,697,000	„	13.6½	11.17½	16,500,000	4	5,653,000	731,000	15,719,000	3,920,000 E. 1,734,000 B.
10	22,198,000	7,669,000	„	13.6½	11.17	16,201,000	„	5,903,000	796,000	16,113,000	4,448,000 E. 1,772,000 B.
17	22,422,000	6,977,000	25.0	13.7	11.18½	15,862,000	4½	7,437,000	1,044,000	17,062,000	5,130,000 E. 2,039,000 B.
24	21,936,000	7,130,000	„	13.7	11.18¼	15,681,000	„	7,719,000	1,164,000	17,551,000	5,918,000 E. 1,806,000 B.

(*continued*)

AN ACCOUNT of Bank Notes of the Bank of England held by the Public; and of - - - - -

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances of the Exchequer and of London Bankers included in foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1853:	£.	£.				£.		£.	£.	£.	£.
October - 1	22,773,000	6,259,000	25.07½	13.7½	11.19	15,613,000	5	8,747,000	2,134,000	8,624,000	5,820,000 E. 2,581,000 B.
8	22,840,000	6,362,000	„	13.7¾	„	15,749,000	„	8,703,000	2,094,000	18,491,000	5,905,000 E. 2,549,000 B.
15	23,667,000	5,013,000	25.02½	13.6¾	11.18½	15,271,000	„	9,116,000	319,000	16,365,000	587,000 E. 3,258,000 B.
22	23,145,000	5,214,000	24.97½	13.6¾	11.18	14,960,000	„	8,896,000	330,000	15,294,000	677,000 E. 3,056,000 B.
29	22,987,000	5,672,000	25.	13.6	11.16½	15,271,000	„	8,930,000	348,000	15,951,000	1,597,000 E. 2,896,000 B.
November 5	22,627,000	6,420,000	24.97½	13.5¾	11.16¾	15,680,000	„	8,595,000	192,000	16,248,000	2,364,000 E. 2,781,000 B.
12	22,181,000	7,006,000	24.95	13.5	11.16	15,856,000	„	8,331,000	202,000	16,791,000	3,325,000 E. 2,559,000 B.
19	21,591,000	7,560,000	24.92½	13.5¼	11.16¼	15,819,000	„	7,909,000	181,000	17,666,000	4,434,000 E. 2,113,000 B.
26	21,344,000	7,050,000	24.97½	13.5¼	11.16	15,090,000	„	7,928,000	488,000	18,547,000	5,375,000 E. 1,960,000 B.
December 3	21,206,000	7,201,000	25.	13.5¾	11.16¼	15,093,000	„	7,760,000	927,000	19,140,000	6,304,000 E. 2,015,000 B.
10	21,045,000	7,575,000	„	13.5¼	11.15¾	15,341,000	„	7,623,000	1,001,000	20,937,000	7,126,000 E. 2,180,000 B.
17	20,606,000	8,124,000	„	„	11.15¾	15,443,000	„	7,340,000	968,000	21,192,000	7,898,000 E. 2,139,000 B.
24	20,810,000	8,318,000	24.97½	13.5	11.16	15,819,000	„	7,247,000	1,475,000	21,766,000	8,738,000 E. 2,037,000 B.
31	21,078,000	8,102,000	„	13.5	„	15,853,000	„	7,542,000	2,109,000	22,451,000	9,501,000 E. 2,260,000 B.
1854:											
January - 7	21,348,000	7,801,000	25.0	13.5¼	„	15,631,000	„	6,968,000	1,862,000	21,037,000	331,000 E. 2,019,000 B.
14	21,941,000	7,443,000	25.0	13.5	11.16¼	16,069,000	„	6,545,000	235,000	17,354,000	429,000 E. 2,935,000 B.
21	22,272,000	7,135,000	„	13.4½	11.16	16,096,000	„	6,243,000	195,000	16,541,000	400,000 E. 3,004,000 B.
28	22,348,000	7,169,000	25.2½	13.4½	11.15½	16,223,000	„	5,958,000	177,000	16,002,000	404,000 E. 2,706,000 B.
February 4	22,557,000	6,967,000	24.95	13.4¾	11.16	16,227,000	„	5,516,000	154,000	14,731,000	538,000 E. 2,498,000 B.
11	22,109,000	7,358,000	25.	„	„	16,204,000	„	5,362,000	153,000	14,339,000	576,000 E. 2,798,000 B.
18	21,655,000	7,858,000	„	13.5½	11.16¼	16,253,000	„	5,226,000	170,000	14,617,000	1,214,000 E. 3,103,000 B.
25	21,699,000	7,816,000	„	13.5	„	16,286,000	„	5,049,000	168,000	14,553,000	1,576,000 E. 2,820,000 B.
March - 4	21,558,000	7,600,000	„	13.4¼	11.15¼	15,909,000	„	4,684,000	191,000	13,986,000	1,636,000 E. 2,242,000 B.
11	21,014,000	7,627,000	24.97½	13.3½	11.15	15,397,000	„	4,515,000	178,000	13,787,000	1,892,000 E. 1,956,000 B.
18	20,784,000	7,279,000	„	13.4½	„	14,823,000	„	5,231,000	950,000	14,984,000	2,700,000 E. 2,074,000 B.
25	21,241,000	6,633,000	25.0	13.5¼	„	14,629,000	„	6,139,000	1,289,000	15,516,000	3,410,000 E. 2,096,000 B.
April - 1	21,684,000	5,998,000	24.97½	13.4½	„	14,450,000	„	6,866,000	1,328,000	15,483,000	3,340,000 E. 2,071,000 B.
8	22,411,000	4,969,000	„	„	11.15¼	14,141,000	„	6,753,000	973,000	16,504,000	5 15,000 E. 3,745,000 B.
15	22,490,000	4,278,000	24.95	„	11.15½	13,511,000	„	6,605,000	170,000	14,561,000	500,000 E. 2,954,000 B.
22	22,270,000	4,292,000	„	13.5	11.15½	13,314,000	„	6,184,000	88,000	13,821,000	542,000 E. 2,502,000 B.
29	22,247,000	3,941,000	„	13.4½	11.15	12,916,000	„	6,305,000	174,000	13,335,000	546,000 E. 2,355,000 B.

Bank Notes of the Bank of England held in Reserve by the Bank of England, &c.—*continued.*

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances of the Exchequer and of London Bankers included in the foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1854:	£.	£.				£.		£.	£.	£.	£.
May - 6	21,974,000	3,900,000	24.95	13.4½	11.15¼	12,608,000	5	6,666,000	200,000	13,027,000	828,000 E. 2,148,000 B.
13	21,144,000	4,713,000	24.97½	13.5	11.15½	12,589,000	5½	7,100,000	195,000	13,335,000	1,264,000 E. 2,367,000 B.
20	20,679,000	5,100,000	„	13.6	11.16	12,514,000	„	7,246,000	284,000	12,818,000	848,000 E. 2,233,000 B.
27	20,459,000	5,553,000	„	13.5¾	11.17¼	12,741,000	„	7,245,000	365,000	12,773,000	1,335,000 E. 2,219,000 B.
June - 3	20,540,000	5,467,000	25.	13.6¾	11.17¾	12,750,000	„	7,334,000	338,000	12,770,000	1,103,000 E. 2,437,000 B.
10	20,314,000	5,668,000	25.02½	13.6½	11.17½	12,728,000	„	7,488,000	496,000	13,477,000	823,000 E. 2,519,000 B.
17	19,700,000	6,673,000	25.0	13.5¼	11.17¼	13,109,000	„	7,056,000	529,000	13,726,000	2,037,000 E. 2,508,000 B.
24	19,614,000	7,519,000	„	13.5¼	11.17	13,870,000	„	6,632,000	1,290,000	14,967,000	3,530,000 E. 2,388,000 B.
July - 1	20,099,000	7,385,000	25.02½	13.6	11.17½	14,216,000	„	6,861,000	2,203,000	16,435,000	3,771,000 E. 3,221,000 B.
8	20,521,000	6,777,000	„	13.6	„	14,021,000	„	6,403,000	1,854,000	17,520,000	1,144,000 E. 3,938,000 B.
15	20,68 ,000	6,403,000	25.0	13.5½	11.17	13,824,000	„	6,228,000	387,000	14,864,000	865,000 E. 3,047,000 B.
22	20,657 000	6,244,000	24.97½	13.6	„	13,634,000	„	5,964,000	236,000	13,668,000	453,000 E. 3,075,000 B.
29	20,515,000	6,257,000	25.	13.6¾	„	13,484,000	„	5,757,000	205,000	13,427,000	580,000 E. 2,975,000 B.
August - 5	20,302,000	6,291,000	25.02½	13.6¾	11.17¼	13,300,000	5	5,608,000	365,000	12,957,000	841,000 E. 2,369,000 B.
12	20,164,0	6,669,000	25.05	13.6¾	11.17½	13,562,000	„	5,956,000	477,000	13,144,000	995,000 E. 2,278,000 B.
19	20,123,000	6,880,000	„	13.6¾	11.17¾	13,701,000	„	6,660,000	359,000	14,272,000	1,998,000 E. 2,904,000 B.
26	20,048,000	6,896,000	„	13.6½	11.17¼	13,635,000	„	6,319,000	323,000	13,950,000	2,382,000 E. 2,748,000 B.
September 2	19,852,000	6,836,000	„	13.6½	11.17¾	13,368,000	„	6,287,000	623,000	14,399,000	2,602,000 E. 3,040,000 B.
9	19,622,000	7,008,000	„	13.6¼	11.17½	13,322,000	„	5,750,000	697,000	14,109,000	3,005,000 E. 2,363,000 B.
16	19,583,000	7,049,000	„	„	11.17¼	13,279,000	„	5,864,000	1,101,000	14,766,000	3,698,000 E. 2,525,000 B.
23	19,296,000	7,294,000	25.10	13.6½	11.17¾	13,229,000	„	5,804,000	1,311,000	15,132,000	4,151,000 E. 2,334,000 B.
30	19,965,000	6,499,000	25.15	13.7	11.18¼	13,060,000	„	6,249,000	2,296,000	15,711,000	4,591,000 E. 2,650,000 B.
October - 7	19,959,000	6,391,000	„	13.7½	11.18½	12,972,000	„	6,052,000	2,269,000	15,365,000	4,961,000 E. 2,305,000 B.
14	20,578,000	5,755,000	25.10	13.7¼	11.18¼	12,905,000	„	6,314,000	574,000	13,771,000	538,000 E. 3,417,000 B.
21	20,871,000	5,947,000	„	13.6¾	11.17¾	13,406,000	„	6,206,000	316,000	13,596,000	499,000 E. 3,940,000 B.
28	2 ,936,000	6,086,000	„	13.6¼	11.17¾	13,581,000	„	6,071,000	252,000	13,346,000	553,000 E. 3,799,000 B.
November 4	20,604,000	6,366,000	25.10	13.7	11.17½	13,525,000	„	5,820,000	205,000	13,790,000	1,202,000 E. 3,397,000 B.
11	20,289,000	6,710,000	25.05	13.6¼	11.16¾	13,580,000	„	5,609,000	236,000	13,769,000	1,668,000 E. 2,889,000 B.
18	19,828,000	7,024,000	25.10	13.6	11.17¼	13,495,000	„	5,534,000	268,000	14,151,000	2,923,000 E. 2,536,000 B.
25	19,750,000	7,353,000	„	13.6	„	13,710,000	„	5,444,000	255,000	14,498,000	3,153,000 E. 2,766,000 B.

(*continued*)

AN ACCOUNT of Bank Notes of the Bank of England held by the Public; and of - - - - - -

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances of the Exchequer and of London Bankers included in foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1854:	£.	£.				£.		£.	£.	£.	£.
December 2	19,617,000	7,627,000	25.12½	13.6¼	11.17½	13,870,000	5	5,334,000	227,000	14,754,000	3,567,000 E. 2,761,000 B.
9	19,405,000	7,929,000	„	13.5½	„	14,005,000	„	5,284,000	298,000	15,237,000	4,088,000 E. 2,393,000 B.
16	19,039,000	8,331,000	„	13.5¼	11.17½	14,029,000	„	5,168,000	556,000	15,746,000	4,804,000 E. 2,393,000 B.
23	19,125,000	8,353,000	„	13.5¾	„	14,137,000	„	5,229,000	1,196,000	16,570,000	5,248,000 E. 2,369,000 B.
30	19,401,000	7,780,000	25.05	„	„	13,835,000	„	5,775,000	1,864,000	17,254,000	5,274,000 E. 2,861,000 B.
1855:											
January - 6	19,682,000	7,307,000	„	„	11.17½	13,667,000	„	5,463,000	1,834,000	16,373,000	5,486,000 E 2,565,000 B.
13	20,117,000	5,763,000	25.07½	„	11.17½	12,539,000	„	5,345,000	308,000	13,137,000	770,000 E. 2,698,000 B.
20	20,046,000	5,463,000	„	13.5½	„	12,162,000	„	5,670,000	212,000	13,099,000	452,000 E. 2,859,000 B.
27	19,783,000	5,889,000	25.10	13.5¾	11.18	12,355,000	„	5,797,000	215,000	13,596,000	803,000 E. 2,330,000 B.
February - 3	19,826,000	6,266,000	„	„	„	12,800,000	„	6,129,000	196,000	14,324,000	1,314,000 E. 2,674,000 B.
10	19,528,000	6,535,000	25.07½	„	„	12,758,000	„	6,128,000	199,000	14,511,000	2,206,000 E. 2,344,000 B.
17	19,246,000	7,067,000	„	13.6	„	12,981,000	„	6,148,000	203,000	15,073,000	2,842,000 E. 2,248,000 B.
24	19,062,000	7,300,000	„	„	„	13,045,000	„	6,066,000	232,000	15,305,000	2,836,000 E. 2,350,000 B.
March - 3	19,098,000	7,415,000	25.15	13.6½	„	13,190,000	„	6,024,000	330,000	15,640,000	2,920,000 E. 2,554,000 B.
10	18,968,000	7,944,000	„	13.6¾	11.18¼	13,622,000	„	5,873,000	360,000	15,977,000	2,703,000 E. 3,069,000 B.
17	18,984,000	8,496,000	25.20	13.7	11.19¼	14,201,000	„	5,642,000	245,000	16,234,000	3,161,000 E. 2,985,000 B.
24	19,058,000	9,129,000	„	13.7¼	11.19½	14,922,000	„	5,415,000	235,000	16,686,000	4,020,000 E. 3,031,000 B.
31	19,488,000	9,022,000	25.15	13.7¼	11.19½	15,206,000	„	5,212,000	219,000	16,317,000	3,596,000 E. 2,829,000 B.
April - 7	19,812,000	8,580,000	„	13.7¾	11.19¾	15,079,000	4½	5,018,000	199,000	17,406,000	403,000 E. 3,224,000 B.
14	20,384,000	7,967,000	25.20	13.8¼	12.0¼	15,023,000	„	4,778,000	174,000	16,954,000	1,063,000 E. 5,523,000 B.
21	20,283,000	8,089,000	25.22½	13.8¾	12.1	15,056,000	„	4,505,000	201,000	17,470,000	1,744,000 E. 4,031,000 B.
28	20,360,000	8,432,000	„	13.8¼	12.0¾	15,499,000	„	4,426,000	205,000	17,641,000	1,263,000 E. 3,725,000 B.
May - 5	20,168,000	8,743,000	„	13.7¼	12.0	15,619,000	4	4,186,000	207,000	16,983,000	1,078,000 E. 3,588,000 B.
12	19,919,000	9,417,000	„	13.7½	„	16,045,000	„	4,063,000	219,000	14,939,000	1,231,000 E. 3,693,000 B.
19	19,622,000	10,281,000	„	13.7¾	12.0¼	16,648,000	„	3,959,000	224,000	15,589,000	1,521,000 E. 3,935,000 B.
26	19,617,000	10,720,000	25.25	13.8¼	„	17,065,000	„	3,762,000	240,000	17,128,000	4,050,000 E. 3,349,000 B.
June - 2	19,740,000	11,343,000	25.20	13.8	„	17,789,000	„	3,789,000	217,000	18,494,000	4,010,000 E. 3,592,000 B.
9	19,451,000	11,606,000	25.15	13.7	11.19¾	17,764,000	„	3,646,000	220,000	18,616,000	4,345,000 E. 3,593,000 B.
16	19,536,000	11,814,000	„	13.6¾	11.19½	18,061,000	3½	3,614,000	235,000	18,804,000	4,506,000 E. 3,739,000 B.
23	19,542,000	11,887,000	„	13.6¾	11.19¼	18,160,000	„	3,604,000	703,000	19,711,000	4,864,000 E. 3,195,000 B.
30	20,166,000	11,139,000	25.12½	13.8	12.0	18,019,000	„	3,863,000	1,152,000	19,582,000	4,400,000 E. 3,147,000 B.

- - - - - Bank Notes of the Bank of England held in Reserve by the Bank of England, &c.—*continued.*

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances	Total Amount of Deposits, including Exchequer and London Bankers.	Balances of the Exchequer and of London Bankers included in foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1855:	£.	£.				£.		£.	£.	£.	£.
July - 7	20,483,000	10,412,000	25.10	13.8	11.19½	17,584,000	3½	3,802,000	1,054,000	19,439,000	1,332,000 E. 3,200,000 B.
14	20,979,000	9,653,000	„	13.7¾	11.19¼	17,329,000	„	3,807,000	235,000	17,860,000	1,046,000 E. 5,050,000 B.
21	20,773,000	9,208,000	„	13.7½	11.19	16,644,000	„	3,813,000	189,000	16,782,000	988,000 E. 4,085,000 B.
28	20,965,000	8,781,000	25.07½	13.7¾	11.18½	16,385,000	„	3,956,000	197,000	16,105,000	1,562,000 E. 2,783,000 B.
August - 4	20,709,000	8,892,000	25.10	13.8	„	16,232,000	„	4,480,000	316,000	17,010,000	1,872,000 E. 2,530,000 B.
11	20,493,000	9,157,000	25.12½	„	11.18¼	16,275,000	„	5,049,000	360,000	17,871,000	2,611,000 E. 2,805,000 B.
18	20,277,000	9,230,000	„	„	11.18	16,117,000	„	5,658,000	454,000	18,658,000	2,528,000 E. 3,698,000 B.
25	20,042,000	8,875,000	25.12½	„	11.18¼	15,546,000	„	5,751,000	431,000	18,647,000	4,161,000 E. 3,553,000 B.
September 1	20,105,000	8,263,000	„	„	„	14,939,000	„	6,053,000	411,000	18,366,000	6,004,000 E. 2,701,000 B.
8	20,142,000	7,526,000	25.15	13.8½	11.18½	14,270,000	4	6,703,000	892,000	18,562,000	6,449,000 E. 2,773,000 B.
15	19,713,000	7,397,000	25.22½	13.8¾	11.19¼	13,698,000	4½	6,780,000	1,558,000	18,985,000	6,864,000 E. 2,405,000 B.
22	19,408,000	7,287,000	25.30	„	11.19½	13,269,000	„	7,508,000	1,948,000	19,657,000	7,508,000 E. 2,744,000 B.
29	20,173,000	6,195,000	25.35	13.9	12.0	12,939,000	5	8,286,000	2,581,000	19,582,000	7,100,000 E. 2,930,000 B.
October - 6	20,292,000	5,473,000	25.40	13.9½	12.0½	12,279,000	5½	8,284,000	2,422,000	17,944,000	6,339,000 E. 2,722,000 B
13	20,648,000	4,558,000	25.35	13.10¼	„	11,752,000	„	8,918,000	1,390,000	16,266,000	1,401,000 E. 3,418,000 B.
20	20,372,000	4,310,000	25.40	„	„	11,230,000		9,054,000	811,000	15,589,000	1,812,000 E. 2,556,000 B.
27	20,436,000	4,262,000	„	13.10½	12.0	11,303,000		8,886,000	723,000	15,028,000	2,427,000 E. 2,581,000 B.
November 3	20,097,000	4,644,000	„	13.10	11.19	11,300,000		8,767,000	642,000	15,064,000	1,631,000 E. 3,097,000 B.
10	19,763,000	4,883,000	„	„	11.19¾	11,234,000		8,412,000	600,000	14,771,000	2,084,000 E. 2,720,000 B.
17	19,422,000	5,240,000	„	13.10½	12.0	11,263,000		8,516,000	458,000	14,997,000	2,847,000 E. 2,541,000 B.
24	19,051,000	5,493,000	25.30	13.10	„	11,140,000		8,761,000	1,076,000	16,328,000	3,638,000 E. 2,535,000 B.
December 1	19,075,000	5,505,000	„	„	11.19½	11,227,000		8,959,000	1,113,000	16,674,000	3,270,000 E. 2,782,000 B.
8	18,680,000	5,759,000	25.35	13.9¾	12.0	11,080,000		8,397,000	1,026,000	16,135,000	3,246,000 E. 2,704,000 B.
15	18,581,000	6,557,000	25.32½	13.9	„	11,306,000		8,312,000	1,332,000	16,751,000	3,221,000 E. 2,466,000 B.
22	18,380,000	6,465,000	25.27½	13.9¾	11.19	10,982,000		8,678,000	1,809,000	17,586,000	4,164,000 E. 2,378,000 B.
29	18,701,000	5,964,000	25.25	13.9½	„	10,820,000		8,709,000	2,355,000	18,206,000	4,449,000 E. 2,765,000 B.
1856:											
January - 5	18,901,000	5,520,000	25.30	13.9	11.19½	10,537,000		8,881,000	2,414,000	18,122,000	4,051,000 E. 2,715,000 B.
12	19,387,000	4,887,000	25.40	13.10¼	„	10,417,000		8,267,000	595,000	17,606,000	1,811,000 E. 3,604,000 B.
19	19,371,000	4,913,000	25.40	13.10	12.0	10,425,000		7,916,000	494,000	17,370,000	1,592,000 E. 3,215,000 B.
26	19,299,000	4,875,000	25.30	13.10¼	„	10,346,000		7,505,000	772,000	16,136,000	1,258,000 E. 2,031,000 B.

60 days and under, 6 per cent.; above 60 and under 95 days, 7 per cent.

AN ACCOUNT of Bank Notes of the Bank of England held by the Public; and of - - - - - -

	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances of the Exchequer and of London Bankers included in foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1856:	£.	£.				£.		£.	£.	£.	£.
February 2	19,122,000	5,412,000	25.30	13.10	11.19⅞	10,706,000		8,343,000	1,586,000	17,590,000	1,692,000 E. 3,095,000 B.
9	18,803,000	5,605,000	25.37½	13.10½	11.12	10,614,000		8,017,000	1,565,000	16,733,000	1,876,000 E. 2,533,000 B.
16	18,724,000	5,644,000	25.45	13.11	11.12¼	10,592,000		8,102,000	1,398,000	17,129,000	3,101,000 E. 2,852,000 B.
23	18,541,000	5,849,000	25.47½	„	12.0¾	10,575,000		8,883,000	2,057,000	18,904,000	3,186,000 E. 4,593,000 B.
March 1	18,935,000	5,493,000	25.45	13.11½	12.1¾	10,600,000		9,082,000	1,748,000	18,001,000	2,503,000 E. 3,076,000 B.
8	18,620,000	5,765,000	„	13.11⅝	12.2⅜	10,550,000		8,352,000	1,773,000	17,661,000	3,427,000 E. 2,814,000 B.
15	18,493,000	5,885,000	„	„	12.2¾	10,554,000		8,432,000	2,227,000	18,157,000	4,626,000 E. 2,840,000 B.
22	18,385,000	5,837,000	„	„	„	10,373,000		7,906,000	1,910,000	17,746,000	4,741,000 E. 2,525,000 B.
29	19,017,000	5,290,000	„	„	12.2¼	10,449,000		8,333,000	3,125,000	18,696,000	4,422,000 E. 2,422,000 B.
April - 5	19,445,000	4,470,000	„	„	12.2½	10,057,000		7,422,000	3,686,000	17,521,000	4,921,000 E. 2,902,000 B.
12	20,010,000	3,895,000	25.47½	13.12	„	10,099,000		7,035,000	1,516,000	15,758,000	1,726,000 E. 3,100,000 B.
19	20,015,000	3,669,000	25.45	13.11⅝	12.2	9,876,000		6,354,000	1,345,000	14,866,000	1,497,000 E. 3,168,000 B.
26	19,924,000	3,632,000	„	13.11½	12.2¼	9,723,000		5,959,000	1,763,000	15,045,000	2,665,000 E. 2,518,000 B.
May - 3	20,226,000	3,431,000	„	„	12.1½	9,807,000		5,304,000	1,964,000	14,678,000	2,483,000 E. 2,764,000 B.
10	19,943,000	3,691,000	„	„	12.1¾	9,779,000		5,473,000	1,654,000	13,648,000	1,706,000 E. 2,989,000 B.
17	19,537,000	4,137,000	„	„	12.1½	9,802,000		5,780,000	2,788,000	15,343,000	2,055,000 E. 5,050,000 B.
24	19,332,000	5,082,000	„	13.11	„	10,559,000	6	5,152,000	2,068,000	15,008,000	2,176,000 E. 4,349,000 B.
31	19,554,000	5,687,000	25.42½	13.10⅝	12.1	11,385,000	5	4,819,000	1,085,000	14,432,000	2,223,000 E. 3,215,008 B.
June - 7	19,579,000	5,953,000	„	13.10½	12.0¾	11,688,000	„	4,675,000	1,522,000	14,032,000	2,428,000 E. 3,323,000 B.
14	19,234,000	6,678,000	„	„	12.0½	12,059,000	„	4,602,000	1,609,000	14,331,000	3,283,000 E. 3,124,000 B.
21	19,323,000	6,915,000	25.37½	13.10	„	12,418,000	„	4,405,000	1,866,000	14,735,000	3,413,300 E. 3,484,000 B.
28	19,515,000	7,389,000	25.35	13.9¼	„	13,074,000	4½	4,236,000	2,279,000	15,515,000	3,554,000 E. 2,747,000 B.
July - 5	19,947,000	6,552,000	„	„	12.0¼	12,611,000	„	4,525,000	2,586,000	15,288,000	3,957,000 E. 3,221,000 B.
12	20,839,000	5,435,000	„	„	11.19¾	12,378,000	„	4,086,000	1,282,000	15,246,000	1,097,000 E. 4,615,000 B.
19	20,863,000	5,321,000	„	13.9	12.0	12,331,000	„	3,901,000	859,000	15,145,000	1,533,000 E. 3,734,000 B.
26	20,448,000	5,803,000	„	13.8¾	„	12,389,000	„	3,761,000	938,000	14,443,000	2,172,000 E. 2,591,000 B.
August - 2	20,476,000	5,795,000	„	13 8½	„	12,433,000	„	4,449,000	1,341,000	14,259,000	1,834,000 E. 2,715,000 B.
9	20,113,000	6,195,000	25.32½	13.7½	11.19¼	12,495,000	„	4,269,000	1,806,000	14,439,000	2,903,000 E. 2,764,000 B.
16	20,079,000	6,201,000	„	13.8¼	11.19½	12,456,000	„	4,403,000	2,469,000	15,229,000	3,690,000 E. 3,151,000 B.
23	19,939,000	6,288,000	25.35	13.8¼	11.19	12,436,000	„	4,163,000	2,012,000	14,744,000	3,856,000 E. 3,122,000 B.
30	20,124,000	6,064,000	„	13.9½	„	12,387,000	„	4,446,000	2,329,000	15,325,000	4,554,000 E. 2,856,000 B.

60 days and under, 6 per cent.; above 60 and under 95 days, 7 per cent.

- - - - - Bank Notes of the Bank of England held in Reserve by the Bank of England, &c.—*continued.*

—	BANK NOTES		Rate of Exchange; London on			Total Amount of Bullion.	Minimum Rate of Interest.	Total Amount of Bills discounted.	Total Amount of Temporary Advances.	Total Amount of Deposits, including Exchequer and London Bankers.	Balances of the Exchequer and of London Bankers included in foregoing Column.
	Held by the Public.	Held in Reserve by the Bank of England.	Paris. 3 d/s.	Hamburgh.	Amsterdam.						
1856:	£.	£.				£.		£.	£.	£.	£.
September 6	19,980,000	6,022,000	25.35	13.8½	11.19¼	12,179,000	4½	4,631,000	2,631,000	15,711,000	5,169,000 E. 2,810,000 B.
13	19,752,000	6,211,000	„	13.7¾	11.18	12,141,000	„	5,092,000	2,969,000	16,583,000	5,774,000 E. 2,984,000 B.
20	19,789,000	6,226,000	25.32½	13.7½	11.17¾	12,133,000	„	5,921,000	3,512,000	17,869,000	7,193,000 E. 2,899,000 B.
27	20,224,000	5,380,000	25.30	13.7¼	11.16¾	11,769,000	„	6,520,000	4,240,000	18,367,000	7,524,000 E. 2,637,000 B.
October 4	20,926,000	3,776,000	25.17½	13.7½	11.17¼	10,784,000	5	8,547,000	4,199,000	18,083,000	7,101,000 E. 2,977,000 B.
11	20,543,000	3,521,000	25.35	13.8¼	11.18½	10,140,000	60 days, 6; over 60 to 95, 7.	8,755,000	3,467,000	17,850,000	1,411,000 E. 2,740,000 B.
18	21,155,000	2,551,000	25.30	13.8½	11.19¼	9,760,000	„	8,756,000	1,580,000	14,522,000	1,903,000 E. 3,146,000 B.
25	20,473,000	3,065,000	25.32½	„	11.18¾	9,638,000	„	9,011,000	820,000	14,246,000	2,639,000 E. 2,758,000 B.
November 1	20,536,000	2,944,000	„	13.8	11.18½	9,596,000	„	9,764,000	577,000	14,626,000	3,012,000 E. 2,762,000 B.
8	20,239,000	3,151,000	25.27½	13.6¾	11.18	9,530,000	60 days, 6; above 60, 7.	9,478,000	515,000	14,285,000	3,084,000 E. 2,701,000 B.
15	19,929,000	3,607,000	„	13.7½	11.17¾	9,684,000	7	9,780,000	632,000	15,038,000	3,747,000 E. 3,265,000 B.
22	19,543,000	42,18,000	25.22½	„	11.17½	9,898,000	„	9,025,000	607,000	14,842,000	4,052,000 E. 3,143,000 B.
29	19,485,000	4,785,000	25.27½	„	„	10,411,000	„	8,285,000	655,000	14,791,000	4,540,000 E. 2,499,000 B.
December 6	19,195,000	5,151,000	„	„	„	10,486,000	6½	7,419,000	1,372,000	15,168,000	4,994,000 E. 2,758,000 B.
13	18,703,000	5,823,000	25.22½	13.7	11.17¼	10,693,000	„	6,752,000	1,479,000	15,343,000	5,469,000 E. 2,258,000 B.
20	18,513,000	5,864,000	„	13.7¼	„	10,514,000	6	6,986,000	2,077,000	16,385,000	6,095,000 E. 2,530,000 B.
27	18,656,000	5,456,000	25.25	13.7	„	10,230,000	„	6,393,000	3,982,000	17,634,000	6,710,000 E. 2,986,000 B.

Bank of England,
25 February 1857.

M. Marshall,
Chief Cashier.

Appendix, No. 14.

AN ACCOUNT of Bank Notes of the Bank of *England* held by the Public, and of Bank Notes of the Bank of *England* held in Reserve by the Bank of *England*; also, of the Total Amount of Bullion; also, of Government Securities, and other Securities; also, of Public Deposits, and other Deposits; and of the Minimum Rate of Interest charged by the Bank of *England* from the last Day of each Week, from the 7th September 1844 to the 27th December 1856.

	BANK NOTES		Total Amount of Bullion.	Government Securities.	Other Securities.	Public Deposits.	Other Deposits.	Minimum Rate of Interest.
	Held by the Public.	Held in Reserve by the Bank of England.						
1844:	£.	£.	£.	£.	£.	£.	£.	*Per Cent.*
August - 31	20,448,000	7,732,000	15,315,000	- - -	- -	- - -	- -	4
September 7	20,176,000	8,175,000	15,209,000	14,554,834	7,835,616	3,630,809	8,644,348	2½
14	19,881,000	8,620,000	15,198,000	14,554,834	8,146,689	4,417,067	8,475,101	,,
21	19,618,000	8,965,000	15,159,000	14,554,834	8,802,714	5,293,615	8,511,771	,,
28	19,902,000	8,461,000	15,022,000	14,554,834	9,795,840	6,010,235	8,286,772	,,
October - 5	20,153,000	7,930,000	14,702,000	14,554,834	10,510,120	6,202,322	8,225,082	,,
12	20,228,000	7,610,000	14,445,000	16,352,834	10,528,785	8,147,290	8,230,673	,,
19	21,083,000	6,649,000	14,190,000	15,676,037	8,418,826	3,965,196	8,506,798	,,
26	21,321,000	6,225,000	14,097,000	15,408,775	8,387,508	3,556,646	8,291,481	,,
November 2	20,820,000	6,679,000	14,039,000	15,070,775	8,675,659	3,471,119	8,757,379	,,
9	20,557,000	6,844,000	14,116,000	14,409,775	8,731,567	3,653,893	8,340,444	,,
16	20,581,000	6,927,000	14,231,000	13,539,775	9,398,630	3,879,458	8,029,934	,,
23	20,118,000	7,410,000	14,366,000	13,539,775	9,547,462	4,812,191	7,864,144	,,
30	19,842,000	7,944,000	14,558,000	13,539,775	9,958,645	5,226,633	8,345,610	,,
December - 7	19,531,000	8,286,000	14,645,000	13,540,619	10,193,713	5,795,572	8,422,809	,,
14	19,258,000	8,746,000	14,844,000	13,540,619	10,293,154	6,385,654	8,381,188	,,
21	19,102,000	8,960,000	14,943,000	13,540,619	10,763,777	7,075,258	8,348,738	,,
28	19,123,000	9,077,000	14,878,000	13,540,619	11,031,821	7,411,605	8,265,079	,,
1845:								
January - 4	19,669,000	8,418,000	14,802,000	13,539,720	11,426,996	7,366,643	8,037,320	,,
11	20,390,000	7,773,000	14,776,000	14,386,839	9,001,544	4,128,966	8,877,905	,,
18	20,545,000	7,588,000	14,788,000	13,843,692	8,627,598	3,069,572	8,803,570	,,
25	20,710.000	7,418,000	14,820,000	13,651,692	8,561,399	2,787,253	8,714,052	,,
February - 1	20,590,000	7,642,000	14,899,000	13,541,692	8,652,751	2,852,124	8,713,690	,,
8	20,319,000	8,128,000	15,148,000	13,476,160	10,065,958	3,715,171	9,732,193	,,
15	20,142,000	8,395,000	15,308,000	13,474,379	10,821,457	4,630,247	9,944,408	,,
22	19,790,000	8,889,000	15,453,000	13,522,379	10,784,494	5,237,999	9,941,556	,,
March - 1	20,000,000	8,953,000	15,730,000	13,474,379	11,707,400	5,476,984	10,323,799	,,
8	19,699,000	9,341,000	15,876,000	13,474,379	11,720,459	5,879,753	10,379,610	,,
15	19,697,000	9,451,000	15,945,000	13,474,379	11,836,377	6,451,283	9,994,572	,,
22	19,540,000	9,673,000	16,000,000	13,474,379	12,535,169	6,890,121	10,452,425	,,
29	19,724,000	9,747,000	16,204,000	13,589,379	13,126,469	7,321,855	10,713,052	,,
April - 5	20,100,000	9,252,000	16,074,000	13,474,379	13,123,678	6,924,106	10,445,950	,,
12	21,216,000	8,001,000	15,895,000	15,147,495	11,069,829	4,355,166	11,753,022	,,
19	21,393,000	7,791,000	15,843,000	14,471,966	10,654,085	3,218,350	11,531,267	,,
26	21,152,000	8,102,000	15,886,000	13,921,966	9,680,272	2,643,448	10,781,637	,,
May - 3	21,339,000	7,828,000	15,808,000	13,616,966	9,857,686	2,712,041	10,355,640	,,
10	21,083,000	8,140,000	15,862,000	13,416,966	10,104,644	3,391,477	10,065,486	,,
17	20,606,000	8,734,000	15,999,000	13,385,797	10,656,808	4,357,386	10,276,032	,,
24	20,398,000	9,015,000	16,273,000	13,384,898	10,644,537	5,051,007	10,087,531	,,
31	20,453,000	9,182,000	16,412,000	13,464,898	11,558,992	5,352,114	10,865,704	,,
June - 7	20,350,000	9,383,000	16,512,000	13,384,898	11,470,805	5,745,482	10,564,624	,,
14	20,063,000	9,855,000	16,614,000	13,384,898	11,305,902	6,261,465	10,315,111	,,
21	20,214,000	9,837,030	16,639,000	13,384,898	11,984,420	6,951,773	10,147,586	,,
28	30,330,000	9,717,000	16,602,000	13,384,898	12,619,663	7,398,420	10,154,148	,,

——	BANK NOTES		Total Amount of Bullion.	Government Securities.	Other Securities.	Public Deposits.	Other Deposits.	Minimum Rate of Interest.
	Held by the Public.	Held in Reserve by the Bank of England.						
1845:	£.	£.	£.	£.	£.	£.	£.	*Per Cent.*
July - 5	20,612,000	9,280,000	16,418,000	13,384,206	12,944,496	7,330,309	10,041,440	2½
12	21,614,000	8,069,000	16,196,000	13,800,344	11,282,221	3,456,089	11,356,519	,,
19	21,503,000	7,891,000	15,879,000	13,456,776	10,815,121	2,834,528	10,934,390	,,
26	21,301,000	7,942,000	15,794,000	13,539,344	10,607,877	2,933,908	10,745,613	,,
August - 2	21,347,000	7,850,000	15,701,000	13,321,844	11,463,603	3,215,363	10,960,214	,,
9	21,459,000	7,682,000	15,670,000	13,321,844	11,634,159	4,034,767	10,187,780	,,
16	21,582,000	7,494,000	15,680,000	13,441,844	11,679,359	4,969,963	8,973,401	,,
23	21,189,000	7,833,000	15,603,000	13,321,844	11,353,577	5,393,936	8,408,887	,,
30	21,050,000	7,959,000	15,592,000	13,347,570	11,712,811	5,830,311	8,571,253	,,
September 6	20,698,000	8,256,000	15,427,000	13,468,643	11,967,081	6,474,705	8,507,213	,,
13	20,359,000	8,431,000	15,384,000	13,348,643	12,391,188	7,319,619	8,316,750	,,
20	20,470,000	8,328,000	15,348,000	13,348,643	13,297,048	8,222,109	8,110,787	,,
27	20,611,000	7,947,000	15,161,000	13,348,643	14,149,003	8,802,110	8,070,212	,,
October - 4	21,260,000	7,096,000	14,865,000	13,348,643	15,188,965	8,703,497	8,167,961	,,
11	21,031,000	7,038,000	14,581,000	13,348,643	15,133,966	8,782,975	8,474,856	,,
18	22,253,000	5,526,000	14,190,000	13,203,138	14,049,529	4,488,419	9,835,604	3
25	22,026,000	5,390,000	14,001,000	13,203,138	12,931,115	4,323,662	8,930,134	,,
November 1	22,047,000	5,220,000	13,855,000	13,203,138	13,429,813	4,487,058	9,099,737	,,
8	21,765,000	5,438,000	13,723,000	13,203,138	14,234,438	5,340,731	9,134,243	3½
15	21,492,000	5,483,000	13,570,000	13,203,138	15,041,397	6,524,834	8,899,130	,,
22	20,960,000	6,077,000	13,560,000	13,201,863	15,454,390	7,363,168	9,024,223	,,
29	20,801,000	5,932,000	13,237,000	13,201,863	15,871,054	7,670,581	8,992,719	,,
December - 6	20,595,000	5,946,000	13,067,000	13,201,863	16,224,712	8,110,401	9,022,019	,,
13	20,120,000	6,506,000	13,269,000	13,201,863	16,135,637	8,684,374	9,089,705	,,
20	20,051,000	6,768,000	13,378,000	13,201,863	16,329,285	9,408,044	8,715,667	,,
27	19,857,000	6,915,000	13,326,000	13,201,863	16,252,051	9,698,409	8,482,239	,,
1846:								
January - 3	20,257,000	6,419,000	13,281,000	13,201,072	16,262,593	9,369,630	8,350,465	,,
10	20,868,000	5,673,000	13,193,000	13,137,047	15,273,096	5,191,017	10,656,207	,,
17	21,180,000	5,394,000	13,139,000	13,137,047	15,773,124	4,710,957	11,254,618	,,
24	21,109,000	5,416,000	13,202,000	13,137,047	18,381,010	4,464,806	14,208,608	,,
31	21,474,000	5,113,000	13,288,000	13,137,047	21,466,997	4,389,810	17,036,830	,,
February - 7	20,435,000	6,264,000	13,336,000	13,137,047	22,908,661	5,054,438	18,912,445	,,
14	20,126,000	6,674,000	13,468,000	13,137,047	22,251,906	5,738,873	18,018,523	,,
21	20,085,000	6,888,000	13,652,000	13,137,047	22,539,192	6,202,903	18,091,320	,,
28	20,021,000	6,994,000	13,776,000	13,136,440	23,242,035	6,296,535	18,647,068	,,
March - 7	19,503,000	7,577,000	13,787,000	13,136,440	22,118,987	6,502,355	17,828,778	,,
14	19,406,000	7,712,000	13,835,000	13,136,440	21,923,787	6,804,524	17,476,998	,,
21	19,231,000	8,034,000	13,965,000	13,136,440	21,806,194	7,065,422	17,356,203	,,
28	19,586,000	7,684,000	13,988,000	13,136,731	22,181,392	7,319,625	17,103,928	,,
April - 4	19,866,000	7,316,000	13,826,000	13,136,440	22,058,631	7,074,026	16,763,047	,,
11	20,302,000	6,728,000	13,572,000	14,437,065	19,438,782	4,210,976	18,069,993	,,
18	20,516,000	6,516,000	13,627,000	13,957,865	18,736,602	3,197,029	17,710,987	,,
25	20,561,000	6,488,000	13,706,000	13,528,065	17,884,532	2,698,953	16,978,110	,,
May - 2	20,664,000	6,408,000	13,734,000	13,303,065	17,901,148	2,578,451	16,780,380	,,
9	20,409,000	6,836,000	13,880,000	13,023,065	17,734,025	3,031,375	16,256,526	,,
16	20,023,000	7,497,000	14,185,000	12,988,065	18,222,548	4,084,117	16,354,017	,,
23	19,932,000	7,775,000	14,413,000	12,988,065	18,236,480	4,809,183	15,947,268	,,
30	19,950,000	8,044,000	14,698,000	13,008,065	18,460,493	5,228,640	16,165,620	,,
June - 6	19,857,000	8,468,000	15,012,000	12,988,065	18,321,641	5,753,512	15,927,013	,,
13	19,592,000	9,012,000	15,340,000	12,988,065	18,122,098	6,537,132	15,518,397	,,
20	19,374,000	9,631,000	15,689,000	13,090,946	17,984,603	7,313,539	15,293,909	,,
27	19,609,000	9,664,000	16,016,000	12,987,946	18,257,149	7,807,802	15,034,361	,,

(*continued*)

	BANK NOTES		Total Amount of Bullion.	Government Securities.	Other Securities.	Public Deposits.	Other Deposits.	Minimum Rate of Interest.
	Held by the Public.	Held in Reserve by the Bank of England.						
1846:	£.	£.	£.	£.	£.	£.	£.	*Per Cent.*
July - 4	20,019,000	9,303,000	15,948,000	12,987,142	18,145,319	7,794,200	14,402,460	3½
11	20,841,000	8,426,000	15,863,000	12,962,147	16,143,726	3,489,416	15,661,286	,,
18	21,001,000	8,139,000	15,770,000	12,962,560	15,382,397	3,162,696	14,904,973	,,
25	20,750,000	8,563,000	15,949,000	12,962,560	14,583,407	3,438,401	14,305,341	,,
August - 1	20,495,000	8,797,000	15,803,000	12,961,735	14,068,257	3,793,610	13,449,388	,,
8	20,311,000	9,075,000	15,945,000	12,961,735	13,984,578	5,014,200	12,456,737	,,
15	20,855,000	8,601,000	16,045,000	12,961,735	13,848,421	6,165,636	10,794,523	,,
22	20,148,000	9,506,000	16,177,000	12,961,735	13,012,824	6,843,002	10,074,026	,,
29	20,426,000	9,450,000	16,366,000	12,961,735	12,395,457	7,142,212	9,161,868	3
September 5	20,530,000	9,231,000	16,274,000	12,961,735	12,523,550	7,318,919	8,557,109	3
12	20,018,000	9,847,000	16,354,000	12,961,360	12,321,816	8,198,800	8,095,203	,,
19	19,941,000	9,817,000	16,309,000	12,961,360	13,049,001	8,765,570	8,316,924	,,
26	19,867,000	9,789,000	16,224,000	12,961,360	14,036,157	9,755,977	8,260,779	,,
October - 3	20,551,000	8,809,000	15,817,000	12,961,360	15,086,775	9,776,195	8,167,143	,,
10	20,772,000	8,306,000	15,582,000	12,961,360	15,227,665	9,801,402	8,322,626	,,
17	21,332,000	7,410,000	15,143,000	12,808,119	12,788,939	5,356,260	9,084,274	,,
24	21,280,000	7,157,000	14,894,000	18,808,119	12,219,710	4,870,737	8,755,441	,,
31	21,376,000	6,934,000	14,808,000	12,808,119	12,175,968	4,622,177	8,761,736	,,
November 7	20,971,000	7,265,000	14,760,000	12,808,119	12,153,009	5,428,783	8,281,624	,,
14	20,410,000	7,836,000	14,849,000	12,808,119	12,525,905	6,777,777	7,995,422	,,
21	20,208,000	8,110,000	14,924,000	12,808,119	13,353,675	7,876,390	7,975,058	,,
28	19,988,000	8,326,000	15,008,000	12,808,119	13,562,822	8,447,560	8,018,391	,,
December 5	19,867,000	8,402,000	15,003,000	12,807,417	13,853,212	8,612,488	8,303,523	,,
12	19,787,000	8,624,000	15,154,000	12,807,417	13,879,960	9,185,471	7,991,126	,,
19	19,549,000	8,864,000	15,163,000	12,807,417	13,904,284	9,847,743	7,615,703	,,
26	19,628,000	8,814,000	15,067,000	12,827,179	14,654,905	10,341,314	7,696,172	,,
1847:								
January - 2	20,031,000	8,227,000	14,952,000	12,826,362	15,071,820	9,990,624	7,903,959	3
9	20,837,000	6,715,000	14,308,000	12,757,326	14,464,948	5,860,631	9,784,767	,,
16	20,679,000	6,546,000	13,949,000	12,757,326	14,450,711	5,034,189	10,339,726	3½
23	20,599,000	6,167,000	13,443,000	12,757,326	14,489,657	4,668,489	10,355,835	4
30	20,469,000	5,704,000	12,902,000	12,722,619	14,106,072	4,462,872	9,659,940	,,
February - 6	19,613,000	5,891,000	12,288,000	12,313,175	14,019,936	4,668,238	9,182,765	,,
13	19,724,000	5,747,000	12,299,000	12,101,987	15,071,256	5,298,594	9,329,852	,,
20	19,482,000	5,977,000	12,215,000	11,990,079	15,039,339	5,869,523	8,837,093	,,
27	19,333,000	6,017,000	12,045,000	11,990,079	15,819,148	5,928,487	9,321,695	,,
March - 6	19,279,000	5,715,000	11,596,000	11,990,079	16,905,705	6,571,731	9,288,661	,,
13	19,232,000	5,554,000	11,449,000	11,990,079	17,358,712	6,716,162	9,536,137	,,
20	19,069,000	5,419,000	11,222,000	11,990,079	17,650,874	6,471,623	9,962,436	,,
27	19,444,000	4,876,000	11,016,000	11,990,079	17,824,355	6,616,287	9,403,132	,,
April - 3	19,855,000	3,700,000	10,246,000	11,990,079	18,627,116	6,001,947	9,502,091	,,
10	20,403,000	2,833,000	9,867,000	13,574,444	18,136,377	4,984,375	11,257,744	5
17	20,243,000	2,558,000	9,330,000	11,677,819	17,111,001	3,011,032	10,004,699	,,
24	19,830,000	2,719,000	9,214,000	11,117,319	16,079,627	2,634,518	9,125,409	,,
May - 1	19,766,000	2,741,000	9,338,000	10,727,319	16,112,676	2,299,154	9,312,048	,,
8	19,592,000	3,197,000	9,589,000	10,308,141	16,311,781	2,870,109	8,930,328	,,
15	19,174,000	3,793,000	9,870,000	10,549,108	16,662,435	4,319,786	8,751,171	,,
22	18,780,000	4,420,000	9,949,000	11,503,858	16,581,674	6,141,624	8,288,689	,,
29	18,662,000	4,628,000	10,170,000	11,652,305	17,041,936	6,977,853	8,431,900	,,
June - 5	18,346,000	5,089,000	10,237,000	11,713,101	17,085,495	7,772,708	8,150,646	,,
12	18,218,000	5,375,000	10,359,000	11,713,101	17,853,469	8,693,619	8,228,131	,,
19	17,968,000	5,665,000	10,512,000	11,708,258	17,947,411	9,258,290	8,160,461	,,
26	18,051,000	5,625,000	10,526,000	11,707,217	18,315,772	9,796,647	7,920,706	,,
July - 3	18,404,000	5,158,000	10,397,000	11,806,386	18,758,130	9,738,622	7,968,314	,,
10	18,973,000	4,331,000	10,086,000	11,636,340	16,747,037	5,245,017	9,305,323	,,
17	19,164,000	4,069,000	9,919,000	11,636,340	15,782,558	4,559,853	8,640,327	,,
24	18,903,000	4,216,000	9,770,000	11,636,340	15,325,476	4,503,516	8,326,425	,,
31	18,892,000	3,775,000	9,331,000	11,636,340	15,724,129	4,503,809	8,316,271	,,

	BANK NOTES		Total Amount of Bullion.	Government Securities.	Other Securities.	Public Deposits.	Other Deposits.	Minimum Rate of Interest.
	Held by the Public.	Held in Reserve by the Bank of England.						
1847:	£.	£.	£.	£.	£.	£.	£.	*Per Cent.*
August - 7	18,688,000	3,946,000	9,253,000	11,663,280	16,302,175	5,570,606	7,885,897	5½
14	18,656,000	3,992,000	9,287,000	11,636,340	16,681,409	6,358,298	7,513,891	„
21	18,127,000	4,488,000	9,240,000	11,636,340	16,116,345	6,830,836	6,931,036	„
28	18,236,000	4,330,000	9,140,000	11,711,340	16,711,187	7,193,740	7,105,701	„
September 4	18,207,000	4,190,000	8,960,000	11,636,340	17,508,119	7,722,704	6,791,373	„
11	17,841,000	4,467,000	8,915,000	11,636,340	17,803,384	8,165,782	6,980,993	5 per cent. on Loans till the October Dividend.
18	17,932,000	4,273,000	8,880,000	11,636,340	18,740,486	8,749,178	7,185,073	5
25	18,079,000	4,112,000	8,782,000	11,636,340	20,007,232	9,447,851	7,484,042	5*
October - 2	18,712,000	3,409,000	8,565,000	11,661,340	21,259,929	9,329,057	7,961,767	5*
9	18,640,000	3,322,000	8,409,000	11,426,340	21,437,443	9,414,713	7,713,896	5*
16	19,359,000	2,630,000	8,431,000	11,088,877	18,963,326	5,496,883	8,674,584	5½
23	20,318,000	1,547,000	8,313,000	10,899,707	19,467,128	4,766,394	8,580,509	„
							Oct. 25 - -	8
30	20,833,000	1,177,000	8,439,000	10,613,607	20,409,897	4,696,032	8,911,442	„
November 6	20,396,000	2,030,000	8,730,000	10,598,607	19,919,915	4,991,313	8,804,395	„
13	20,051,000	2,798,000	9,259,000	10,583,607	19,560,468	5,991,765	8,812,171	„
20	19,298,000	4,228,000	10,017,000	10,633,607	18,791,117	7,219,802	7,866,482	„
							Nov. 22 - -	7
27	18,970,000	4,986,000	10,533,000	10,946,594	18,531,810	7,729,572	8,238,554	„
December 4	18,783,000	5,583,000	11,033,000	10,946,594	18,070,409	7,799,527	8,441,282	6
11	18,321,000	6,449,000	11,426,000	10,946,594	17,630,931	8,229,759	8,437,376	„
18	17,758,000	7,551,000	11,991,000	10,998,214	17,158,338	8,763,497	8,606,976	„
24	17,823,000	7,786,000	12,237,000	11,065,267	16,979,060	9,235,978	8,243,203	5
1848:								
January - 1	17,925,000	7,866,000	12,404,000	11,064,422	16,989,221	9,011,568	8,523,108	5
8	18,561,000	7,315,000	12,578,000	10,993,353	16,345,958	5,414,008	10,858,286	„
15	19,095,000	7,152,000	12,824,000	11,203,353	15,254,936	4,334,680	10,676,188	„
22	19,112,000	7,447,000	13,177,000	11,464,665	14,510,363	4,082,448	10,774,870	„
29	19,142,000	7,640,000	13,390,000	11,553,914	14,321,905	4,171,203	10,768,087	4
February - 5	19,136,000	8,075,000	13,822,000	11,553,914	13,888,592	4,574,063	10,299,027	„
12	18,519,000	9,064,000	14,205,000	11,574,921	13,343,570	5,382,795	9,961,845	„
19	18,085,000	9,806,000	14,570,000	11,574,921	12,988,392	6,032,033	9,797,938	„
26	18,180,000	9,922,000	14,761,000	11,574,921	12,933,241	6,417,011	9,550,889	„
March - 4	18,376,000	9,830,000	14,874,000	11,574,921	13,115,456	6,574,785	9,249,804	„
11	17,691,000	10,545,000	14,947,000	11,574,921	12,954,702	6,883,063	9,525,211	„
18	17,447,000	10,967,000	15,123,000	11,572,180	12,896,563	6,957,392	9,773,110	„
25	17,603,000	10,953,000	15,317,000	11,688,041	12,857,662	7,452,556	9,353,628	„
April - 1	17,668,000	10,875,000	15,211,000	11,721,566	12,936,289	7,140,125	9,580,384	„
8	18,241,000	9,768,000	14,602,000	12,682,866	12,460,152	4,586,084	11,961,862	„
15	18,597,000	8,569,000	13,764,000	12,733,630	12,149,833	3,120,901	11,950,962	„
22	18,762,000	7,860,000	13,228,000	12,268,630	12,001,566	2,321,338	11,435,742	„
29	18,603,000	7,659,000	12,879,000	12,034,028	12,065,481	2,283,391	11,049,918	„
May - 6	18,622,000	7,554,000	12,826,000	11,713,630	11,835,962	2,436,781	10,250,972	„
13	18,327,000	8,037,000	13,090,000	11,713,630	11,815,920	3,442,607	9,756,433	„
20	18,095,000	8,566,000	13,379,000	11,713,630	11,630,523	4,417,182	9,189,604	„
27	17,812,000	8,932,000	13,515,000	11,751,215	11,524,726	4,866,035	9,135,479	„
June - 3	17,779,000	9,081,000	13,597,000	11,970,082	11,488,596	5,217,473	9,082,672	„
10	17,627,000	9,505,000	13,840,000	12,097,257	11,398,651	5,653,823	9,056,342	„
17	17,377,000	9,975,000	14,169,000	12,089,172	11,148,869	5,911,694	9,157,381	3½
24	17,529,000	10,008,000	14,308,000	12,411,301	11,229,195	6,600,957	8,853,600	„

* Minimum Rate of Discount remained 5½.

(*continued*)

	BANK NOTES		Total Amount of Bullion.	Government Securities.	Other Securities.	Public Deposits.	Other Deposits.	Minimum Rate of Interest.
	Held by the Public.	Held in Reserve by the Bank of England.						
1848:	£.	£.	£.	£.	£.	£.	£.	*Per Cent.*
July - 1	17,581,000	10,065,000	14,418,000	12,522,645	11,266,399	6,603,239	9,019,944	3½
8	18,361,000	9,312,000	14,358,000	13,602,546	11,255,427	4,118,230	11,580,598	„
15	19,145,000	8,449,000	14,263,000	13,207,546	11,200,140	2,621,157	11,709,054	„
22	19,041,000	8,411,000	14,109,000	12,807,546	11,090,948	2,410,857	11,376,888	„
29	18,944,000	8,119,000	13,710,000	12,522,735	11,027,342	2,303,143	10,835,797	„
August - 5	18,692,000	7,998,000	13,397,000	12,462,735	10,951,788	2,888,368	9,968,628	„
12	18,166,000	8,528,000	13,365,000	12,462,735	10,857,119	3,832,141	9,440,513	„
19	18,313,000	8,450,000	13,372,000	12,462,735	10,862,959	4,545,098	8,575,809	„
26	18,119,000	8,734,000	13,504,000	12,462,735	10,899,000	4,868,374	8,715,882	„
September 2	18,099,000	8,785,000	13,510,000	12,462,735	11,368,814	5,021,591	8,824,607	„
9	17,845,000	9,114,000	13,666,000	12,462,735	11,320,639	5,460,328	8,771,338	„
16	17,687,000	9,511,000	13,823,000	12,675,613	11,492,375	6,196,421	8,730,767	„
23	17,311,000	9,926,000	13,865,000	12,776,046	11,530,812	6,799,283	8,691,777	„
30	17,549,000	9,572,000	13,678,000	12,862,296	11,574,473	7,008,836	8,146,311	„
October - 7	17,475,000	9,348,000	13,417,000	12,862,296	11,639,164	6,962,466	8,053,104	„
14	18,334,000	8,405,000	13,259,000	13,845,012	11,202,250	4,297,385	10,674,983	„
21	18,560,000	8,033,000	13,163,000	13,400,019	10,847,210	3,162,909	10,660,880	„
28	18,590,000	8,018,000	13,273,000	12,950,012	10,889,084	2,619,440	10,921,192	„
November - 4	18,554,000	8,243,000	13,408,000	12,769,012	10,805,561	2,615,627	10,795,395	3
11	18,066,000	8,895,000	13,679,000	13,329,012	10,758,237	4,038,270	10,648,047	„
18	17,843,000	9,356,000	13,920,000	13,329,012	10,769,002	5,149,495	10,014,544	„
25	17,400,000	9,986,000	14,140,000	13,459,012	10,754,444	5,992,492	9,932,650	„
December 2	17,328,000	10,088,000	14,267,000	13,329,012	10,712,882	6,210,515	9,815,127	„
9	16,962,000	10,772,000	14,524,000	13,329,012	10,668,558	7,061,202	9,567,966	„
16	16,736,000	11,246,000	14,790,000	13,329,012	10,669,617	7,908,643	9,249,649	„
23	16,875,000	11,309,000	15,001,000	13,484,162	10,814,515	8,572,063	8,951,073	„
30	17,130,000	11,097,000	14,955,000	13,594,518	10,957,933	8,598,118	8,871,435	„
1849.								
January - 6	17,250,000	10,985,000	15,025,000	13,599,597	10,825,470	8,419,045	8,814,702	„
13	18,274,000	9,924,000	14,944,000	13,621,954	10,624,760	3,968,284	11,854,171	„
20	18,628,000	9,642,000	15,049,000	13,621,954	10,522,147	3,671,140	11,727,517	„
27	18,678,000	9,638,000	15,042,000	13,882,267	10,427,581	3,877,648	11,642,799	„
February - 3	18,777,000	9,553,000	15,106,000	13,882,267	10,314,654	3,922,307	11,328,544	„
10	18,338,000	10,109,000	15,249,000	14,022,267	10,048,716	4,551,829	11,190,305	„
17	18,288,000	10,308,000	15,392,000	14,022,267	9,916,264	5,303,317	10,491,860	„
24	18,132,000	10,273,000	15,330,000	14,074,183	9,872,296	5,815,929	10,142,742	„
March - 3	18,372,000	9,942,000	15,177,000	14,074,183	10,795,769	6,140,572	9,997,754	„
10	17,902,000	10,646,000	15,297,000	14,074,183	10,698,753	6,667,141	9,997,665	„
17	17,699,000	10,853,000	15,284,000	14,072,844	10,638,064	6,984,258	9,855,826	„
24	17,629,000	10,953,000	15,323,000	14,072,844	10,614,922	7,565,694	9,317,120	„
31	17,946,000	10,461,000	15,198,000	14,072,844	11,278,918	7,830,202	9,287,878	„
April - 7	18,282,000	9,738,000	14,875,000	14,372,844	11,124,586	7,731,781	9,625,222	„
14	19,053,000	8,876,000	14,707,000	14,352,241	10,061,870	3,484,063	11,780,256	„
21	19,078,000	8,692,000	14,510,000	13,952,241	10,047,336	2,806,747	11,815,217	„
28	19,068,000	8,534,000	14,386,000	13,957,269	10,095,826	2,782,190	11,778,602	„
May - 5	19,214,000	8,281,000	14,278,000	14,236,069	10,111,307	3,182,031	11,380,996	„
12	18,956,000	8,505,000	14,308,000	14,085,069	10,013,116	3,797,985	10,752,558	„
19	18,715,000	8,803,000	14,351,000	14,085,069	9,878,145	4,802,145	9,985,529	„
26	18,469,000	9,031,000	14,397,000	14,175,507	9,837,316	5,370,855	9,755,000	„
June - 2	18,361,000	9,192,000	14,442,000	14,175,507	9,824,829	5,640,619	9,707,778	„
9	18,122,000	9,648,000	14,653,000	14,175,507	9,723,675	6,181,026	9,526,150	„
16	17,971,000	10,094,000	14,948,000	14,315,468	9,731,825	6,731,437	9,556,938	„
23	17,867,000	10,437,000	15,188,000	14,327,249	9,721,867	7,380,990	9,336,927	„
30	17,934,000	10,366,000	15,121,000	14,363,848	9,939,670	7,591,504	9,226,639	„

	BANK NOTES		Total Amount of Bullion.	Government Securities.	Other Securities.	Public Deposits.	Other Deposits.	Minimum Rate of Interest.
	Held by the Public.	Held in Reserve by the Bank of England.						
1849:	£.	£.	£.	£.	£.	£.	£.	*Per Cent.*
July - 7	18,221,000	9,852,000	14,975,000	14,362,960	9,910,970	7,485,212	8,829,368	3
14	19,453,000	8,473,000	14,768,000	14,432,877	9,685,432	3,104,227	11,468,268	,,
21	19,723,000	8,111,000	14,717,000	14,335,835	9,657,804	2,809,910	11,302,086	,,
28	19,497,000	8,250,000	14,621,000	14,352,877	9,649,334	3,031,025	11,225,603	,,
August - 4	19,243,000	8,252,000	14,433,000	14,374,877	9,570,412	3,638,856	10,503,334	,,
11	18,746,000	8,903,000	14,561,000	14,282,877	9,551,310	4,712,703	9,953,425	,,
18	18,880,000	8,756,000	14,582,000	14,282,877	9,937,253	5,564,014	9,400,121	,,
25	18,451,000	9,339,000	14,760,000	14,308,576	9,928,590	6,117,532	9,536,827	,,
September 1	18,449,000	9,470,000	14,776,000	14,334,255	10,132,598	6,337,090	9,270,111	,,
8	18,066,000	9,842,000	14,803,000	14,334,255	10,126,273	6,972,850	9,065,606	,,
15	17,665,000	10,246,000	14,860,000	14,334,255	10,403,105	7,729,860	9,035,206	,,
22	17,433,000	10,814,000	15,115,000	14,354,859	10,721,590	8,528,948	9,112,962	,,
29	18,131,000	10,161,000	15,254,000	14,385,582	11,511,145	9,068,559	8,801,393	,,
October - 6	18,030,000	10,238,000	15,119,000	14,385,582	11,875,435	9,029,698	9,103,234	,,
13	18,583,000	9,567,000	15,082,000	14,192,871	10,732,880	5,867,050	10,814,916	,,
20	19,048,000	9,204,000	15,040,000	14,228,068	9,824,113	4,738,700	10,495,719	,,
27	18,951,000	9,520,000	15,259,000	14,228,068	9,823,691	4,858,589	10,738,142	,,
November 3	18,881,000	9,725,000	15,476,000	14,228,068	9,744,810	5,347,502	10,399,754	,,
10	18,416,000	10,402,000	15,821,000	14,228,068	9,753,886	6,221,770	10,352,089	,,
17	18,182,000	11,028,000	16,038,000	14,322,087	9,730,592	7,248,920	9,912,504	,,
24	17,999,000	11,571,000	16,380,000	14,338,973	9,660,032	8,098,047	9,456,116	2½
December 1	18,027,000	11,693,000	16,512,000	14,338,973	9,770,189	8,462,655	9,390,006	,,
8	17,922,000	12,062,000	16,773,000	14,338,973	10,016,315	8,931,249	9,519,954	,,
15	17,953,000	12,185,000	16,991,000	14,350,880	10,803,418	9,529,986	9,928,865	,,
22	17,803,000	12,481,000	17,081,000	14,350,880	10,860,565	10,263,704	9,488,580	,,
29	18,227,000	12,012,000	17,016,000	14,350,880	11,478,064	10,559,491	9,364,105	,,
1850:								
January - 5	18,257,000	12,011,000	17,020,000	14,375,681	11,691,026	10,321,413	9,735,268	2½
12	19,086,000	10,990,000	16,814,000	14,296,554	10,099,051	5,974,800	11,241,118	,,
19	19,333,000	10,731,000	16,816,000	14,296,554	9,848,040	5,599,761	11,070,694	,,
26	19,706,000	10,355,000	16,784,000	14,296,554	9,883,402	5,499,042	10,805,883	,,
February 2	19,625,000	10,479,000	16,811,000	14,296,554	9,828,739	5,727,761	10,591,701	,,
9	19,421,000	10,704,000	16,850,000	14,296,554	9,712,705	6,272,030	10,160,268	,,
16	19,187,000	11,154,000	17,090,000	14,399,368	9,657,067	7,087,030	9,848,781	,,
23	18,889,000	11,438,000	17,122,000	14,399,368	9,687,835	7,639,031	9,749,035	,,
March - 2	19,008,000	11,368,000	17,126,000	14,419,732	10,425,030	7,838,208	9,881,899	,,
9	18,828,000	11,519,000	17,133,000	14,419,732	10,863,797	8,160,205	10,185,000	,,
16	19,009,000	11,478,000	17,273,000	14,418,854	11,322,296	8,542,182	10,260,861	,,
23	18,619,000	11,854,000	17,280,000	14,418,854	11,294,119	9,241,322	9,943,548	,,
30	19,452,000	10,849,000	17,079,000	14,418,854	12,267,353	9,571,047	9,526,633	,,
April - 6	19,374,000	10,816,000	16,936,000	14,418,854	11,981,434	9,255,123	10,024,993	,,
13	20,048,000	9,997,000	16,759,000	14,209,962	9,744,702	4,914,388	10,969,389	,,
20	20,335,000	9,538,000	16,630,000	14,292,170	9,779,210	4,627,318	10,946,342	,,
27	20,296,000	9,642,000	16,647,000	14,292,170	9,781,347	4,693,443	10,907,429	,,
May - 4	20,107,000	9,817,000	16,573,000	14,292,170	9,778,216	4,997,054	10,649,502	,,
11	19,901,000	9,927,000	16,565,000	14,292,170	9,708,822	5,830,623	9,945,704	,,
18	19,469,000	10,494,000	16,631,000	14,292,170	9,746,392	6,764,415	9,582,999	,,
25	19,043,000	10,885,000	16,702,000	14,316,185	9,697,076	7,287,063	9,608,436	,,
June - 1	19,215,000	10,788,000	16,738,000	14,316,185	9,760,048	7,577,660	9,215,738	,,
8	19,165,000	10,922,000	16,866,000	14,316,185	10,267,023	8,034,220	9,450,246	,,
15	19,460,000	10,739,000	16,942,000	14,315,770	11,057,149	8,415,694	9,646,380	,,
22	18,853,000	11,339,000	16,967,000	14,315,770	11,115,436	9,273,119	9,473,140	,,
29	19,301,000	10,925,000	16,957,000	14,375,826	11,679,773	9,679,111	9,167,709	,,
July - 6	19,457,000	10,696,000	16,869,000	14,374,908	11,943,840	9,564,513	9,273,018	,,
13	20,274,000	9,770,000	16,844,000	14,294,583	10,522,279	5,090,507	11,263,012	,,
20	20,568,000	9,689,000	16,911,000	14,285,583	10,184,360	4,645,194	11,122,418	,,
27	20,761,000	9,421,000	16,842,000	14,285,583	10,166,075	5,022,745	10,404,440	,,

	BANK NOTES		Total Amount of Bullion.	Government Securities.	Other Securities.	Public Deposits.	Other Deposits.	Minimum Rate of Interest.
	Held by the Public.	Held in Reserve by the Bank of England.						
1850:	£.	£.	£.	£.	£.	£.	£.	*Per Cent.*
August - 3	20,714,000	9,477,000	16,822,000	14,285,583	10,139,611	5,480,874	9,976,414	2½
10	20,149,000	9,978,000	16,802,000	14,430,847	10,096,045	6,283,402	9,717,785	,,
17	19,827,000	10,377,000	16,854,000	14,430,847	10,534,408	7,261,305	9,569,322	,,
24	19,620,000	10,597,000	16,856,000	14,430,847	10,720,307	7,927,165	9,377,894	,,
31	19,683,000	10,421,000	16,770,000	14,430,847	11,419,381	8,261,281	9,281,099	,,
September - 7	19,482,000	10,619,000	16,707,000	14,430,847	11,700,259	8,885,786	9,106,676	,,
14	19,242,000	10,947,000	16,795,000	14,433,230	11,908,694	9,488,907	9,032,865	,,
21	18,862,000	11,314,000	16,812,000	14,433,230	12,158,839	10,222,879	8,968,161	,,
28	19,033,000	11,050,000	16,707,000	14,433,230	12,985,843	10,854,230	8,877,696	,,
October - 5	19,304,000	10,527,000	16,452,000	14,443,637	13,389,578	10,652,937	8,899,290	,,
12	19,467,000	10,231,000	16,305,000	14,443,637	13,194,789	10,694,649	8,850,077	,,
19	20,140,000	9,304,000	16,015,000	14,228,901	10,772,545	6,284,496	9,550,613	,,
26	19,820,000	9,587,000	15,973,000	14,228,901	10,866,740	6,254,823	9,938,411	,,
November 2	19,722,000	9,703,000	16,025,000	14,228,901	11,038,486	6,594,381	9,932,226	,,
9	19,264,000	10,151,000	16,096,000	14,228,901	10,980,140	7,302,189	9,718,433	,,
16	19,102,000	10,397,000	16,176,000	14,228,901	11,320,567	8,240,884	9,385,599	,,
23	18,602,000	10,983,000	16,220,000	14,228,901	11,719,370	9,040,581	9,558,819	,,
30	18,607,000	10,763,000	16,010,000	14,228,901	12,461,368	9,398,752	9,789,794	,,
December 7	18,707,000	10,642,000	15,942,000	14,228,901	12,732,488	9,775,399	9,511,556	,,
14	18,280,000	10,903,000	15,820,000	14,228,901	12,678,322	10,274,389	9,275,629	,,
21	18,496,000	10,234,000	15,359,000	14,233,252	13,762,797	10,783,808	9,201,634	,,
28	18,574,000	9,778,000	14,964,000	14,233,252	14,459,608	11,022,817	9,147,039	3
1851:								
January 4	19,037,000	9,236,000	14,830,000	14,232,319	15,181,698	10,796,555	9,480,319	,,
11	19,878,000	8,132,000	14,642,000	14,150,256	13,511,364	6,455,107	10,975,856	,,
18	19,947,000	7,971,000	14,526,000	14,150,256	12,619,768	5,847,019	10,517,783	,,
25	19,492,000	8,299,000	14,431,000	14,145,156	12,339,494	5,756,995	10,721,309	,,
February - 1	19,630,000	8,074,000	14,347,000	14,145,696	11,946,360	6,051,128	9,787,615	,,
8	19,175,000	8,463,000	14,278,000	14,145,696	11,834,247	6,723,916	9,360,278	,,
15	18,910,000	8,848,000	14,474,000	14,145,696	11,888,361	7,164,484	9,423,679	,,
22	18,713,000	9,049,000	14,436,000	14,145,696	12,135,618	7,617,014	9,497,519	,,
March - 1	19,236,000	8,537,000	14,448,000	14,145,696	13,174,857	7,794,344	9,521,505	,,
8	18,994,000	8,739,000	14,424,000	14,145,696	13,030,554	8,016,287	9,363,092	,,
15	18,756,000	8,956,000	14,416,000	14,145,250	12,904,218	8,227,989	9,287,826	,,
22	18,495,000	9,221,000	14,399,000	14,145,250	12,907,809	8,792,245	8,977,263	,,
29	18,962,000	8,594,000	14,246,000	14,145,250	14,063,963	8,999,881	9,266,234	,,
April - 5	19,065,000	8,229,000	13,907,000	14,145,250	14,147,070	8,866,091	9,572,840	,,
12	19,946,000	7,020,000	13,590,000	14,086,798	11,901,832	4,723,323	10,164,340	,,
19	19,847,000	6,887,000	13,342,000	13,936,798	11,638,650	4,102,458	10,256,573	,,
26	19,869,000	6,793,000	13,290,000	13,929,905	11,509,951	4,308,927	9,812,983	,,
May - 3	19,685,000	6,957,000	13,254,000	14,125,102	11,441,155	4,762,496	9,563,751	,,
10	19,453,000	7,196,000	13,272,000	13,606,362	11,508,890	5,154,596	8,963,891	,,
17	19,126,000	7,579,000	13,356,000	13,590,988	11,887,695	6,017,417	8,921,477	,,
24	19,027,000	7,879,000	13,568,000	13,593,235	11,981,795	6,582,509	8,743,887	,,
31	19,398,000	7,615,000	13,705,000	13,593,235	12,508,833	6,888,791	8,806,603	,,
June - 7	19,008,000	8,190,000	13,837,000	13,544,329	12,558,110	7,488,615	8,726,683	,,
14	18,881,000	8,417,000	13 926,000	13,544,281	12,837,529	7,809,278	8,907,866	,,
21	18,915,000	8,532,000	14,198,000	13,544,281	13,234,757	8,635,559	8,713,685	,,
28	19,256,000	8,437,000	14,318,000	13,544,281	14,246,662	9,102,585	9,012,082	,,
July - 5	19,545,000	8,037,000	14,213,000	13,545,235	14,251,192	8,931,362	8,695,802	,,
12	20,191,000	7,259,000	14,018,000	13,464,021	12,389,725	4,319,348	10,440,830	,,
19	20,634,000	6,650,000	13,863,000	13,464,021	11,803,076	3,957,006	9,583,816	,,
26	20,516,000	6,709,000	13,817,000	13,464,021	11,600,605	4,295,495	9,097,562	,,
August - 2	20,346,000	6,922,000	13,895,000	13,464,021	11,800,143	4,758,458	9,002,461	,,
9	20,151,000	7,190,000	13,954,000	13,464,021	12,078,245	5,513,244	8,719,460	,,
16	20,132,000	7,412,000	14,177,000	13,464,216	12,698,000	6,393,552	8,617,141	,,
23	19,745,000	7,878,000	14,228,000	13,464,216	12,884,841	7,161,085	8,507,179	,,
30	19,716,000	8,047,000	14,362,000	13,464,216	13,391,746	7,607,965	8,525,022	,,

——	BANK NOTES: Held by the Public.	BANK NOTES: Held in Reserve by the Bank of England.	Total Amount of Bullion.	Government Securities.	Other Securities.	Public Deposits.	Other Deposits.	Minimum Rate of Interest.
1851:	£.	£.	£.	£.	£.	£.	£.	*Per Cent.*
September 6	19,363,000	8,344,000	14,290,000	13,464,216	13,193,878	8,093,413	8,121,431	3
13	19,111,000	8,827,000	14,516,000	13,464,216	13,437,245	8,757,770	8,193,065	,,
20	18,952,000	9,123,000	14,665,000	13,464,216	13,785,274	9,386,100	8,207,807	,,
27	19,178,000	9,178,000	14,953,000	13,464,216	14,247,837	9,886,439	8,229,829	,,
October - 4	19,458,000	8,958,000	14,991,000	13,464,216	14,624,018	9,655,588	8,556,950	,,
11	19,572,000	8,883,000	15,051,000	13,464,216	14,337,386	9,728,421	8,683,515	,,
18	20,676,000	7,782,000	15,055,000	13,241,768	13,083,883	5,396,169	10,339,401	,,
25	20,698,000	7,917,000	15,232,000	13,241,768	12,843,838	5,175,353	10,474,704	,,
November 1	20,469,000	8,175,000	15,290,000	13,241,768	12,688,022	5,437,553	10,337,251	,,
8	20,122,000	8,561,000	15,259,000	13,241,768	12,215,287	6,086,141	9,549,304	,,
15	19,585,000	9,529,000	15,695,000	13,241,768	11,818,439	6,938,290	9,308,899	,,
22	19,355,000	10,104,000	16,020,000	13,241,768	11,589,520	7,300,341	9,290,436	,,
29	19,224,000	10,312,000	16,134,000	13,241,768	11,573,465	7,745,054	9,129,575	,,
December - 6	18,855,000	11,048,000	16,519,000	13,241,768	11,547,043	8,077,344	9,539,188	,,
13	18,889,000	11,391,000	16,921,000	13,241,768	11,454,732	8,534,018	9,358,848	,,
20	18,676,000	12,142,000	17,414,000	13,244,220	11,366,148	9,202,522	9,360,449	,,
27	18,720,000	12,024,000	17,320,000	13,291,937	11,746,805	9,620,146	9,281,391	,,
1852:								
January - 3	19,285,000	11,707,000	17,558,000	13,290,972	12,214,222	9,447,516	9,371,117	2½
10	20,241,000	10,787,000	17,516,000	13,233,763	11,746,188	5,292,524	12,001,829	,,
17	21,038,000	10,113,000	17,725,000	13,269,098	11,388,726	4,715,153	11,656,776	,,
24	20,640,000	10,742,000	17,934,000	13,269,098	11,336,325	4,768,121	12,187,177	,,
31	20,739,000	10,919,000	18,215,000	13,420,923	11,255,501	4,846,972	12,347,634	,,
February - 7	20,348,000	11,364,000	18,282,000	13,420,923	11,181,921	5,263,972	12,128,638	,,
14	20,708,000	11,386,000	18,596,000	13,524,391	11,125,457	5,925,306	11,552,777	,,
21	20,188,000	12,229,000	18,948,000	13,550,532	10,979,880	6,392,181	11,916,013	,,
28	20,523,000	12,209,000	19,239,000	13,558,099	11,386,983	6,723,106	11,658,452	,,
March - 6	20,237,000	12,660,000	19,410,000	13,565,323	11,602,383	6,902,929	12,124,056	,,
13	20,235,000	12,913,000	19,674,000	13,567,593	11,751,508	6,964,540	12,558,987	,,
20	19,980,000	13,196,000	19,746,000	13,567,593	11,722,150	7,520,393	12,300,704	,,
27	20,150,000	13,140,000	19,816,000	13,567,593	11,689,599	7,978,820	11,644,776	,,
April - 3	20,687,000	12,397,000	19,597,000	13,567,593	11,720,843	7,687,708	11,191,626	,,
10	21,208,000	11,526,000	19,245,000	14,301,095	11,225,844	4,764,651	13,992,932	2
17	22,056,000	11,024,000	19,560,000	13,395,779	11,086,331	3,265,285	13,906,918	,,
24	21,599,000	11,500,000	19,588,000	13,335,779	10,999,619	2,993,373	14,472,598	,,
May - 1	21,832,000	11,586,000	19,901,000	13,338,023	11,022,332	3,194,817	14,365,920	,,
8	21,845,000	11,887,000	20,231,000	13,338,023	10,888,495	3,526,451	14,130,767	,,
15	21,670,000	12,149,000	20,305,000	13,451,657	10,765,581	4,265,675	13,686,289	,,
22	21,304,000	12,805,000	20,629,000	13,833,241	10,662,923	5,132,209	13,788,837	,,
29	21,645,000	12,542,000	20,687,000	13,874,572	10,704,645	5,566,299	13,182,382	,,
June - 5	21,685,000	12,667,000	20,839,000	14,174,572	10,697,573	6,119,961	13,030,750	,,
12	21,285,000	13,440,000	21,184,000	13,874,526	10,873,025	6,092,573	13,678,855	,,
19	21,437,000	13,516,000	21,435,000	13,874,526	10,868,650	6,856,819	13,030,979	,,
26	21,342,000	14,245,000	22,043,000	13,874,526	10,755,395	7,596,972	12,834,028	,,
July - 3	22,241,000	13,534,000	22,197,000	13,873,545	11,773,967	7,647,476	12,968,501	,,
10	23,380,000	12,499,000	22,232,000	14,124,546	11,407,460	3,908,478	15,429,582	,,
17	23,748,000	11,911,000	21,989,000	13,979,616	10,671,902	3,077,870	14,715,088	,,
24	23,231,000	12,477,000	22,065,000	13,784,546	10,782,182	2,802,361	15,464,288	,,
31	23,479,000	11,850,000	21,710,000	13,790,720	10,799,655	3,195,152	14,506,774	,,
August - 7	23,040,000	12,116,000	21,474,000	13,790,720	10,756,634	3,823,713	13,885,973	,,
14	22,953,000	12,667,000	21,926,000	14,089,495	10,740,159	4,828,920	13,088,533	,,
21	22,760,000	12,665,000	21,874,000	14,139,338	10,714,100	5,844,525	12,945,084	,,
28	22,620,000	12,825,000	21,914,000	14,189,182	10,646,723	6,318,428	12,638,205	,,
September 4	22,811,000	12,543,000	21,853,000	14,189,182	11,100,487	6,667,129	12,136,546	,,
11	22,086,000	13,264,000	21,894,000	14,189,182	11,116,843	7,287,944	12,330,726	,,
18	21,953,000	13,202,000	21,867,000	14,189,182	11,325,130	8,010,476	11,919,586	,,
25	21,513,000	13,620,000	21,812,000	14,189,182	11,662,783	8,792,451	11,638,180	,,

	BANK NOTES		Total Amount of Bullion.	Government Securities.	Other Securities.	Public Deposits.	Other Deposits.	Minimum Rate of Interest.
	Held by the Public.	Held in Reserve by the Bank of England.						
1852:	£.	£.	£.	£.	£.	£.	£.	*Per Cent.*
October - 2	22,244,000	12,746,000	21,554,000	14,189,182	12,474,729	8,935,158	11,532,546	2
9	22,252,000	12,656,000	21,718,000	14,189,182	12,483,569	9,076,438	11,493,050	,,
16	23,660,000	11,392,000	21,670,000	13,950,375	11,187,061	4,898,568	13,107,431	,,
23	23,160,000	11,576,000	21,244,000	13,950,375	11,179,558	4,449,346	13,670,230	,,
30	23,813,000	10,954,000	21,158,000	13,950,375	11,296,193	4,664,600	12,801,729	,,
November 6	23,351,000	11,242,000	20,895,000	13,950,375	11,362,535	5,040,143	12,653,673	,,
13	23,202,000	11,497,000	21,273,000	13,962,688	11,493,768	5,973,230	12,367,099	,,
20	22,671,000	12,127,000	21,322,000	13,962,688	11,605,603	6,661,061	12,414,448	,,
27	22,703,000	12,506,000	21,708,000	13,962,688	11,963,622	7,258,422	12,493,548	,,
December 4	22,723,000	12,524,000	21,808,000	13,962,688	12,410,821	7,637,710	12,699,303	,,
11	22,556,000	12,415,000	21,510,000	13,962,688	12,620,203	7,955,077	12,507,244	,,
18	22,236,000	12,259,000	21,165,000	13,962,688	13,356,036	8,648,726	12,496,270	,,
24	22,226,000	11,846,000	20,749,000	13,962,688	14,135,952	9,297,726	12,264,343	,,
1853:								
January - 1	23,054,000	10,960,000	20,528,000	13,961,691	15,875,756	9,266,342	12,993,952	,,
8	23,361,000	9,809,000	19,766,000	13,870,796	15,025,553	5,771,914	14,310,648	2½
15	23,662,000	9,004,000	19,149,000	13,870,796	14,157,548	4,939,878	13,284,158	,,
22	23,474,000	9,444,000	19,405,000	13,830,407	14,170,745	4,998,754	13,727,637	3
29	22,984,000	9,511,000	19,043,000	13,800,613	13,654,165	5,235,993	13,066,193	,,
February 5	22,695,000	9,339,000	18,701,000	13,764,651	13,705,812	5,568,205	12,606,230	,,
12	22,305,000	9,495,000	18,402,000	13,648,600	13,790,758	6,239,297	12,012,578	,,
19	22,081,000	9,667,000	18,315,000	13,619,393	14,177,702	6,738,059	12,081,941	,,
26	21,990,000	9,662,000	18,191,000	13,488,853	14,926,214	7,062,129	12,397,543	,,
March - 5	22,276,000	10,086,000	18,894,000	13,464,538	15,401,220	7,312,751	12,622,301	,,
12	21,713,000	10,666,000	18,978,000	13,464,538	15,396,627	7,607,914	13,051,136	,,
19	21,465,000	11,132,000	19,163,000	13,464,538	15,447,272	8,203,555	12,874,698	,,
26	21,794,000	10,790,000	19,123,000	13,464,538	15,931,447	8,468,758	12,721,782	,,
April - 2	22,387,000	10,183,000	19,007,000	13,464,538	16,385,120	8,234,115	12,690,203	,,
9	22,977,000	9,839,000	19,226,000	13,671,382	14,875,627	4,733,108	14,933,897	,,
16	23,613,000	8,907,000	18,793,000	13,221,382	14,085,037	3,780,216	13,622,968	,,
23	23,408,000	8,584,000	18,554,000	13,221,382	13,632,497	3,712,989	13,206,923	,,
30	23,125,000	8,684,000	18,355,000	13,221,382	13,506,745	3,934,322	12,922,620	,,
May - 7	23,470,000	8,274,000	18,225,000	13,221,382	13,608,166	4,265,469	12,201,614	,,
14	23,163,000	8,428,000	18,219,000	13,124,653	14,014,176	5,095,691	12,011,402	,,
21	22,639,000	8,734,000	17,951,000	13,124,653	14,368,263	5,815,477	11,953,498	,,
28	22,582,000	8,872,000	17,945,000	13,124,653	14,021,714	5,600,412	11,935,583	,,
June - 4	23,423,000	8,367,000	18,254,000	13,124,653	14,632,359	4,635,454	12,902,839	3½
11	23,083,000	8,908,000	18,480,000	13,124,910	14,246,232	3,737,044	14,033,701	,,
18	22,696,000	9,420,000	18,636,000	13,123,910	13,700,971	4,615,831	13,174,519	,,
25	22,632,000	9,563,000	18,665,000	13,118,010	13,705,389	5,532,113	12,332,410	,,
July - 2	22,848,000	9,204,000	18,554,000	13,116,997	14,372,331	5,615,362	12,504,620	,,
9	23,807,000	8,102,000	18,264,000	14,497,333	13,680,203	3,953,330	13,508,613	,,
16	23,888,000	7,662,000	18,023,000	13,757,333	13,064,310	2,332,814	13,422,004	,,
23	23,627,000	7,833,000	17,829,000	13,537,333	12,553,013	1,849,658	13,179,838	,,
30	23,352,000	7,971,000	17,739,000	13,337,333	12,466,213	2,175,265	12,755,038	,,
August - 6	23,523,000	7,529,000	17,435,000	13,027,333	13,226,701	2,218,227	12,475,528	,,
13	23,100,000	7,863,000	17,310,000	13,027,582	13,611,721	3,315,392	12,190,020	,,
20	23,003,000	7,645,000	17,172,000	13,027,582	13,876,950	4,063,046	11,623,583	,,
27	22,776,000	7,756,000	16,963,000	13,027,582	13,830,835	4,601,685	11,133,356	,,
September 3	22,466,000	7,697,000	16,500,000	12,773,176	14,546,194	4,701,598	11,017,313	4
10	22,198,000	7,669,000	16,201,000	12,767,018	14,957,874	5,251,010	10,862,058	,,
17	22,422,000	6,977,000	15,862,000	12,527,893	16,740,682	6,007,833	11,053,973	4½
24	21,936,000	7,130,000	15,681,000	12,339,083	17,143,223	6,712,265	10,839,185	,,
October - 1	22,773,000	6,259,000	15,613,000	12,339,083	19,124,799	6,738,755	11,885,565	5
8	22,840,000	6,362,000	15,749,000	12,339,083	18,941,549	6,857,398	11,633,687	,,
15	23,667,000	5,013,000	15,271,000	12,455,161	17,425,089	3,700,859	12,664,226	,,
22	23,145,000	5,214,000	14,960,000	11,319,072	17,254,452	2,903,045	12,390,653	,,
29	22,987,000	5,672,000	15,271,000	11,498,152	17,255,890	3,628,809	12,322,678	,,

—	BANK NOTES: Held by the Public.	BANK NOTES: Held in Reserve by the Bank of England.	Total Amount of Bullion.	Government Securities.	Other Securities.	Public Deposits.	Other Deposits.	Minimum Rate of Interest.
1853:	£.	£.	£.	£.	£.	£.	£.	*Per Cent.*
November 5	22,627,000	6,420,000	15,680,000	11,498,152	16,749,699	4,077,159	12,171,032	5
12	22,181,000	7,006,000	15,856,000	11,766,243	16,432,451	5,009,222	11,781,769	,,
19	21,591,000	7,560,000	15,819,000	12,477,425	15,989,650	6,034,154	11,632,208	,,
26	21,344,000	7,050,000	15,090,000	13,489,037	16,315,862	7,534,179	11,012,432	,,
December 3	21,206,000	7,201,000	15,093,000	13,622,039	16,586,818	7,659,924	11,480,162	,,
10	21,045,000	7,575,000	15,341,000	15,043,730	16,525,237	10,027,166	10,910,077	,,
17	20,606,000	8,124,000	15,443,000	15,043,730	16,237,015	10,492,686	10,699,684	,,
24	20,810,000	8,318,000	15,819,000	15,043,730	16,643,651	11,157,724	10,607,922	,,
31	21,078,000	8,102,000	15,853,000	15,044,330	17,576,123	11,409,933	11,041,049	,,
1854:								
January 7	21,348,000	7,801,000	15,831,000	14,833,299	16,736,409	8,291,993	12,744,634	,,
14	21,941,000	7,443,000	16,069,000	13,644,025	14,663,295	3,213,993	14,140,492	,,
21	22,272,000	7,135,000	16,096,000	13,537,638	14,297,849	2,646,783	13,894,599	,,
28	22,348,000	7,169,000	16,223,000	13,232,716	13,988,622	2,515,384	13,486,234	,,
February 4	22,557,000	6,967,000	16,227,000	12,537,716	13,570,465	2,121,718	12,608,926	,,
11	22,109,000	7,358,000	16,204,000	11,941,666	13,415,280	1,981,907	12,357,045	,,
18	21,655,000	7,858,000	16,253,000	11,757,704	13,346,376	2,440,107	12,177,209	,,
25	21,699,000	7,816,000	16,286,000	11,757,704	13,247,442	2,722,345	11,830,574	,,
March 4	21,558,000	7,600,000	15,909,000	11,751,555	13,241,821	2,741,851	11,244,639	,,
11	21,014,000	7,627,000	15,397,000	11,747,728	13,054,655	2,899,597	10,887,396	,,
18	20,784,000	7,279,000	14,823,000	11,844,700	14,512,895	3,678,817	11,305,383	,,
25	21,241,000	6,633,000	14,629,000	11,792,116	15,757,604	4,423,827	11,092,226	,,
April 1	21,684,000	5,998,000	14,450,000	11,607,616	16,522,726	4,445,788	11,037,153	,,
8	22,411,000	4,969,000	14,141,000	13,939,132	15,720,271	2,683,754	13,819,988	,,
15	22,490,000	4,278,000	13,511,000	13,686,596	14,763,256	1,765,364	12,795,201	,,
22	22,270,000	4,292,000	13,314,000	13,349,067	14,336,835	1,767,723	12,053,525	,,
29	22,247,000	3,941,000	12,916,000	13,080,679	14,438,192	2,018,493	11,316,805	,,
May 6	21,974,000	3,900,000	12,608,000	12,566,607	14,749,460	2,338,822	10,688,531	,,
13	21,144,000	4,713,000	12,589,000	11,625,492	15,144,039	2,748,437	10,587,010	5½
20	20,679,000	5,100,000	12,514,000	10,406,309	15,425,281	2,671,551	10,146,428	,,
27	20,459,000	5,553,000	12,741,000	9,856,309	15,441,966	2,489,944	10,283,180	,,
June 3	20,540,000	5,467,000	12,750,000	9,856,309	15,494,525	2,557,654	10,212,244	,,
10	20,314,000	5,668,000	12,728,000	10,024,481	15,799,944	2,993,668	10,483,130	,,
17	19,700,000	6,673,000	13,109,000	9,720,499	15,374,237	3,212,382	10,513,491	,,
24	19,614,000	7,519,000	13,870,000	9,851,250	15,584,007	4,852,805	10,114,383	,,
July 1	20,099,000	7,385,000	14,216,000	10,332,795	16,750,401	5,315,198	11,119,344	,,
8	20,521,000	6,777,000	14,021,000	12,977,237	15,920,198	4,948,822	12,571,329	,,
15	20,683,000	6,403,000	13,824,000	12,470,237	14,234,926	3,207,955	11,655,973	,,
22	20,657,000	6,244,000	13,634,000	11,810,383	13,819,415	2,058,785	11,609,399	,,
29	20,515,000	6,257,000	13,484,000	11,775,383	13,610,093	2,302,361	11,124,260	,,
August 5	20,302,000	6,291,000	13,300,000	11,360,383	13,638,937	2,347,590	10,609,668	5
12	20,164,000	6,669,000	13,562,000	10,680,493	14,101,584	2,990,274	10,153,899	,,
19	20,123,000	6,880,000	13,701,000	11,030,873	14,740,797	3,891,195	10,380,618	,,
26	20,048,000	6,896,000	13,635,000	10,969,279	14,400,809	3,974,574	9,975,033	,,
September 2	19,852,000	6,836,000	13,368,000	10,980,029	15,178,013	3,996,427	10,402,859	,,
9	19,632,000	7,008,000	13,322,000	10,996,955	14,719,492	4,342,706	9,766,245	,,
16	19,583,000	7,049,000	13,279,000	10,996,955	15,353,432	4,985,233	9,780,712	,,
23	19,296,000	7,294,000	13,229,000	10,996,955	15,487,091	5,363,572	9,768,357	,,
30	19,965,000	6,499,000	13,060,000	11,006,210	16,912,843	5,786,582	9,924,277	,,
October 7	19,959,000	6,391,000	12,972,000	11,015,466	16,677,317	5,766,065	9,598,807	,,
14	20,578,000	5,755,000	12,905,000	11,079,038	15,116,462	2,554,622	11,216,564	,,
21	20,871,000	5,947,000	13,406,000	11,113,273	14,742,463	1,893,487	11,702,867	,,
28	20,936,000	6,086,000	13,581,000	10,960,762	14,556,912	1,905,513	11,441,511	,,
November 4	20,604,000	6,366,000	13,525,000	11,524,492	14,155,089	2,858,100	10,932,023	,,
11	20,289,000	6,710,000	13,580,000	11,413,016	13,899,081	3,525,577	10,243,333	,,
18	19,828,000	7,024,000	13,495,000	11,429,871	13,850,566	4,465,918	9,685,004	,,
25	19,750,000	7,353,000	13,710,000	11,461,703	13,850,146	4,782,390	9,715,309	,,

(*continued*)

	BANK NOTES		Total Amount of Bullion.	Government Securities.	Other Securities.	Public Deposits.	Other Deposits.	Minimum Rate of Interest.
	Held by the Public.	Held in Reserve by the Bank of England.						
1854:	£.	£.	£.	£.	£.	£.	£.	*Per Cent.*
December 2	19,617,000	7,627,000	13,870,000	11,517,738	13,710,468	4,994,893	9,759,246	5
9	19,405,000	7,929,000	14,005,000	11,604,267	13,732,473	5,545,408	9,691,373	,,
16	19,039,000	8,331,000	14,029,000	11,565,237	13,869,287	6,035,675	9,710,512	,,
23	19,125,000	8,353,000	14,137,000	11,609,583	14,581,403	6,560,414	10,009,957	,,
30	19,401,000	7,780,000	13,853,000	11,611,553	15,806,634	6,695,436	10,558,387	,,
1855:								
January 6	19,682,000	7,307,000	13,667,000	11,611,800	15,481,228	6,391,361	9,981,364	,,
13	20,117,000	5,763,000	12,539,000	11,731,427	14,035,963	2,294,292	10,842,702	,,
20	20,046,000	5,463,000	12,162,000	11,637,721	14,196,909	2,257,127	10,842,228	,,
27	19,783,000	5,889,000	12,355,000	11,528,652	14,320,311	2,897,554	10,698,258	,,
February 3	19,826,000	6,266,000	12,800,000	11,538,652	14,590,176	3,740,512	10,583,727	,,
10	19,528,000	6,535,000	12,758,000	11,558,652	14,566,989	4,463,869	10,047,316	,,
17	19,246,000	7,067,000	12,981,000	11,538,227	14,584,340	4,898,602	10,174,871	,,
24	19,062,000	7,300,000	13,045,000	11,539,540	14,522,432	4,855,455	10,449,182	,,
March 3	19,098,000	7,415,000	13,190,000	11,626,463	15,012,782	5,033,184	10,607,057	,,
10	18,968,000	7,944,000	13,622,000	11,542,385	14,880,844	4,828,237	11,149,103	,,
17	18,984,000	8,496,000	14,201,000	11,583,885	14,521,596	5,077,843	11,155,862	,,
24	19,058,000	9,129,000	14,922,000	11,581,067	14,279,061	5,539,467	11,146,540	,,
31	19,488,000	9,022,000	15,206,000	11,581,067	14,091,941	5,384,834	10,932,629	,,
April 7	19,812,000	8,580,000	15,079,000	13,026,749	13,655,995	6,008,895	11,396,875	4½
14	20,384,000	7,967,000	15,023,000	13,673,713	13,266,068	2,720,640	14,233,796	,,
21	20,283,000	8,089,000	15,056,000	14,274,373	13,032,442	4,450,664	13,019,567	,,
28	20,360,000	8,432,000	15,499,000	14,214,373	12,944,224	4,468,013	13,173,482	,,
May 5	20,168,000	8,743,000	15,619,000	13,591,373	12,721,050	4,337,590	12,645,651	4
12	19,919,000	9,417,000	16,045,000	11,016,374	12,543,800	2,733,908	12,205,207	,,
19	19,622,000	10,281,000	16,648,000	10,823,132	12,455,155	3,358,272	12,230,771	,,
26	19,617,000	10,720,000	17,065,000	12,110,721	12,315,806	5,196,161	11,932,316	,,
June 2	19,740,000	11,343,000	17,789,000	12,677,816	12,419,158	5,211,168	13,282,876	,,
9	19,451,000	11,606,000	17,764,000	12,702,488	12,305,431	5,447,207	13,168,985	,,
16	19,536,000	11,814,000	18,061,000	12,681,068	12,399,704	5,586,754	13,307,714	3½
23	19,542,000	11,887,000	18,169,000	12,896,068	12,853,957	6,486,685	13,224,470	,,
30	20,166,000	11,139,000	18,019,000	12,896,068	13,497,443	6,146,999	13,434,749	,,
July 7	20,483,000	10,412,000	17,584,000	13,757,224	13,328,806	6,852,350	12,586,891	,,
14	20,979,000	9,653,000	17,329,000	13,656,190	12,681,833	2,811,014	15,048,543	,,
21	20,773,000	9,208,000	16,644,000	13,071,978	12,706,108	3,178,033	13,604,199	,,
28	20,965,000	8,781,000	16,385,000	13,092,528	12,913,262	4,221,408	11,883,528	,,
August 4	20,709,000	8,892,000	16,232,000	12,851,030	13,592,925	5,152,221	11,857,328	,,
11	20,493,000	9,157,000	16,275,000	12,766,624	14,239,692	6,266,890	11,604,444	,,
18	20,277,000	9,230,000	16,117,000	12,810,164	14,943,006	6,407,739	12,250,406	,,
25	20,042,000	8,875,000	15,546,000	13,025,164	14,995,232	6,971,825	11,674,829	,,
September 1	20,105,000	8,263,000	14,939,000	13,031,088	15,661,985	7,267,969	11,098,018	,,
8	20,142,000	7,526,000	14,270,000	13,031,088	16,637,227	7,591,337	10,970,353	4
15	19,713,000	7,397,000	13,698,000	12,799,368	17,388,784	7,838,531	11,146,762	4½
22	19,408,000	7,287,000	13,269,000	12,498,067	18,509,278	8,389,892	11,266,877	,,
29	20,173,000	6,195,000	12,939,000	12,125,026	19,915,763	8,144,209	11,437,955	5
October 6	20,292,000	5,473,000	12,279,000	11,413,143	19,791,293	7,106,524	10,837,643	5½
13	20,648,000	4,558,000	11,752,000	10,556,040	19,280,446	4,359,851	11,905,925	,,
20	20,372,000	4,310,000	11,230,000	10,635,359	18,789,512	3,825,021	11,764,080	
27	20,436,000	4,262,000	11,303,000	10,328,955	18,534,600	3,700,844	11,327,321	
November 3	20,097,000	4,644,000	11,300,000	10,201,276	18,355,548	3,369,984	11,694,200	60 days and under, 6 per cent.; above 60 and under 95 days, 7 per cent.
10	19,763,000	4,883,000	11,234,000	10,124,848	17,879,564	3,605,358	11,166,069	
17	19,422,000	5,240,000	11,263,000	10,124,848	17,787,150	4,110,130	10,886,746	
24	19,051,000	5,493,000	11,140,000	10,339,848	18,651,439	4,798,954	11,529,385	
December 1	19,075,000	5,505,000	11,227,000	10,275,480	18,868,757	4,439,589	12,234,788	
8	18,680,000	5,759,000	11,080,000	10,264,376	18,141,269	4,416,231	11,719,180	
15	18,581,000	6,557,000	11,306,000	9,789,376	18,360,761	4,428,440	12,322,462	
22	18,380,000	6,465,000	10,982,000	9,929,197	19,204,123	5,344,753	12,241,457	
29	18,701,000	5,964,000	10,820,000	10,425,292	19,777,860	5,843,932	12,362,512	

	BANK NOTES		Total Amount of Bullion.	Government Securities.	Other Securities.	Public Deposits.	Other Deposits.	Minimum Rate of Interest.
	Held by the Public.	Held in Reserve by the Bank of England.						
1856:	£.	£.	£.	£.	£.	£.	£.	*Per Cent.*
January - 5	18,901,000	5,520,000	10,537,000	10,827,515	19,871,874	5,514,535	12,607,840	60 days and under, 6 per cent.; above 60 and under 95 days, 7 per cent.
12	19,387,000	4,887,000	10,417,000	13,413,459	17,415,554	3,638,609	13,967,508	
19	19,371,000	4,913,000	10,425,000	13,728,246	16,857,056	3,858,237	13,512,245	
26	19,299,000	4,875,000	10,346,000	12,636,261	16,750,656	3,264,203	12,871,553	
February - 2	19,122,000	5,412,000	10,706,000	12,092,361	18,216,497	3,782,879	13,807,258	
9	18,803,000	5,605,000	10,614,000	11,422,361	17,868,429	3,683,327	13,049,256	
16	18,724,000	5,644,000	10,532,000	11,931,006	17,743,632	4,164,823	12,964,125	
23	18,541,000	5,849,000	10,575,000	11,946,006	19,185,177	4,141,551	14,762,364	
March - 1	18,935,000	5,493,000	10,600,000	11,451,006	19,490,762	4,083,033	13,918,279	
8	18,620,000	5,765,000	10,550,000	11,451,006	18,928,343	4,376,186	13,285,084	
15	18,493,000	5,885,000	10,554,000	11,451,006	19,285,028	5,506,124	12,650,535	
22	18,385,000	5,837,000	10,373,000	11,951,006	18,425,297	5,638,865	12,107,043	
29	19,017,000	5,290,000	10,449,000	11,871,821	20,063,178	6,838,842	11,857,130	
April - 5	19,445,000	4,470,000	10,057,000	11,871,778	19,711,720	6,010,439	11,510,329	
12	20,010,000	3,895,000	10,099,000	12,918,437	16,794,528	3,443,136	12,314,701	
19	20,015,000	3,669,000	9,876,000	13,117,833	15,929,363	2,958,753	11,907,623	
26	19,924,000	3,632,000	9,723,000	13,370,083	15,975,189	4,008,071	11,036,793	
May - 3	20,226,000	3,431,000	9,807,000	13,755,083	15,446,266	3,871,799	10,806,090	
10	19,943,000	3,691,000	9,779,000	12,662,652	15,297,277	3,033,588	10,613,914	
17	19,537,000	4,137,000	9,802,000	12,479,416	16,710,812	2,691,956	12,351,097	
24	19,332,000	5,082,000	10,559,000	12,479,416	15,377,046	3,535,203	11,472,481	6
31	19,554,000	5,687,000	11,385,000	12,612,119	14,042,418	3,686,524	10,745,271	5
June - 7	19,579,000	5,953,000	11,688,000	11,682,126	14,333,306	3,297,127	10,734,513	„
14	19,234,000	6,678,000	12,059,000	11,226,468	14,347,079	4,112,448	10,218,761	„
21	19,323,000	6,915,000	12,418,000	11,276,155	14,411,854	4,132,110	10,602,674	„
28	19,515,000	7,389,000	13,074,000	11,276,155	14,803,958	5,704,570	9,810,045	4½
July - 5	19,947,000	6,552,000	12,611,000	11,308,515	15,527,912	4,817,074	10,470,957	„
12	20,839,000	5,435,000	12,378,000	14,208,464	13,773,626	2,547,500	12,698,812	„
19	20,863,000	5,321,000	12,331,000	14,798,464	13,153,664	3,242,869	11,902,473	„
26	20,448,000	5,803,000	12,389,000	13,713,464	13,094,424	3,844,808	10,598,296	„
August - 2	20,476,000	5,795,000	12,433,000	12,483,045	14,186,000	3,677,416	10,581,413	„
9	20,113,000	6,195,000	12,495,000	12,010,078	14,478,928	4,285,108	10,153,804	„
16	20,079,000	6,201,000	12,456,000	12,010,078	15,270,195	4,668,218	10,560,407	„
23	19,939,000	6,288,000	12,436,000	12,062,022	14,562,330	4,721,846	10,021,829	„
30	20,124,000	6,064,000	12,387,000	12,114,078	15,645,152	5,590,339	9,734,553	„
September 6	19,980,000	6,022,000	12,179,000	12,114,078	16,126,951	6,087,068	9,624,407	„
13	19,752,000	6,211,000	12,141,000	11,964,953	16,924,279	6,609,292	9,973,564	„
20	19,789,000	6,226,000	12,133,000	11,964,953	18,291,557	7,909,724	9,958,972	„
27	20,224,000	5,380,000	11,769,000	11,964,953	19,616,384	8,409,851	9,956,813	„
October - 4	20,926,000	3,776,000	10,784,000	11,464,278	21,582,464	7,759,499	10,323,552	5
11	20,543,000	3,521,000	10,140,000	11,378,905	21,049,117	8,001,501	9,848,912	60 days, 6; over 60 to 95, 7.
18	21,155,000	2,551,000	9,760,000	11,103,896	19,054,088	4,040,590	10,481,220	„
25	20,473,000	3,065,000	9,638,000	10,740,845	18,545,315	4,201,284	10,044,763	„
November 1	20,536,000	2,944,000	9,596,000	10,737,841	19,053,446	4,713,654	9,912,776	„
8	20,239,000	3,151,000	9,530,000	10,592,679	18,626,428	4,631,967	9,652,655	60 days, 6; above 60, 7.
15	19,929,000	3,607,000	9,684,000	10,457,869	19,054,017	4,924,785	10,113,368	7
22	19,543,000	4,218,000	9,898,000	10,454,867	18,232,446	5,106,831	9,735,455	„
29	19,485,000	4,785,000	10,411,000	10,454,867	17,537,749	5,469,987	9,320,817	„
December 6	19,195,000	5,151,000	10,486,000	10,640,867	17,389,715	5,870,709	9,297,193	6½
13	18,703,000	5,823,000	10,693,000	10,640,867	16,828,728	6,300,625	9,042,822	„
20	18,513,000	5,864,000	10,514,000	10,870,431	17,654,460	6,891,949	9,493,093	6
27	18,656,000	5,456,000	10,230,000	11,200,748	18,962,155	7,501,335	10,132,655	„

Bank of England,
25 February 1857.

M. Marshall,
Chief Cashier.

Appendix, No. 15.

RETURN of the Circulation of Notes of the Bank of England, of Private and Joint Stock Banks in *England*, *Scotland*, and *Ireland*, and the Total thereof; together with the Amount of Bullion in the Bank of England in each Month, from 1834 to the present Time.

	ENGLAND.					SCOTLAND.	IRELAND.		TOTAL.	BULLION in the Bank of England.
	Bank of England.	Private Banks.	Joint Stock Banks.	Banks from which no Return was received until July 1841.	Aggregate Monthly Circulation of Country Banks in England and Wales.	Chartered, Private, and Joint Stock Banks.	Bank of Ireland.	Private and Joint Stock Banks.		
1833:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
September	19,014,000	6,163,037	1,115,521	2,307,086	9,585,644	2,644,495	3,678,950	1,112,155	36,035,244	10,844,250
October	18,924,200	6,845,019	1,233,648	2,307,086	10,385,753	3,158,595	4,039,200	1,394,142	37,901,890	10,086,800
November	18,436,750	6,664,881	1,241,844	2,307,086	10,213,811	3,224,690	4,103,100	1,492,698	37,471,049	9,705,750
December	17,447,400	6,272,877	1,198,341	2,307,086	9,778,304	3,196,084	4,024,750	1,489,292	35,935,830	10,120,400
1834:										
January	19,234,500	6,621,623	1,260,685	2,195,989	10,078,297	3,004,983	4,017,600	1,520,578	37,855,958	9,952,500
February	19,452,250	6,546,391	1,318,101	2,195,989	10,060,481	2,967,966	4,029,625	1,585,730	38,096,052	9,556,500
March	18,742,500	6,643,789	1,408,412	2,195,989	10,248,190	2,836,574	3,964,020	1,521,952	37,313,236	8,954,500
April	18,898,200	7,020,014	1,498,236	2,137,493	10,655,743	2,836,380	3,919,275	1,429,025	37,738,623	8,537,600
May	19,077,500	6,943,704	1,520,032	2,137,493	10,601,229	3,234,589	3,791,780	1,319,495	38,024,593	8,552,500
June	18,671,750	6,384,778	1,553,092	2,137,493	10,075,363	3,246,732	3,704,325	1,184,280	36,882,450	8,886,250
July	19,488,400	6,368,122	1,537,511	2,054,514	9,960,147	3,108,239	3,638,300	1,134,764	37,329,850	8,403,600
August	19,197,000	6,388,343	1,525,182	2,054,514	9,968,039	3,092,314	3,525,080	1,126,515	36,908,948	7,496,000
September	18,570,200	6,542,197	1,655,029	2,054,514	10,251,740	3,133,644	3,521,425	1,250,122	36,727,131	6,991,600
October	18,897,500	6,813,786	1,815,902	2,072,687	10,702,375	3,234,571	3,806,950	1,495,557	38,136,953	6,538,500
November	18,296,250	6,782,278	1,814,482	2,072,687	10,669,447	3,448,307	3,904,940	1,607,375	37,926,319	6,623,500
December	17,315,200	6,374,677	1,723,753	2,072,687	10,171,117	3,262,101	3,911,825	1,684,038	36,344,281	6,959,800
1835:										
January	18,547,500	6,670,988	1,822,491	1,867,577	10,361,056	3,056,828	3,858,560	1,702,956	37,526,900	6,552,500
February	18,964,250	6,605,803	1,921,337	1,867,577	10,394,717	2,993,431	3,905,350	1,696,258	37,954,006	6,293,500
March	18,110,600	6,557,081	1,936,640	1,867,577	10,361,298	2,856,666	3,858,300	1,600,586	36,787,450	6,305,800
April	18,841,000	6,972,226	2,098,509	1,952,566	11,023,301	2,873,359	3,792,550	1,548,395	38,078,605	6,062,000
May	18,447,500	6,917,570	2,179,007	1,952,566	11,049,143	3,223,135	3,738,740	1,435,919	37,894,437	6,024,500
June	17,788,600	6,504,983	2,129,939	1,952,566	10,587,488	3,219,757	3,525,425	1,329,633	36,450,903	6,502,200
July	18,864,750	6,535,365	2,130,968	1,821,730	10,488,063	3,058,053	3,491,175	1,276,589	37,178,630	6,268,500
August	18,505,000	6,469,677	2,103,632	1,821,730	10,395,039	3,040,368	3,300,180	1,258,891	36,499,478	6,162,500
September	17,465,000	6,438,748	2,166,051	1,821,730	10,426,529	3,037,925	3,265,375	1,405,321	35,600,150	6,267,260
October	17,547,000	6,997,387	2,382,056	1,923,530	11,302,973	3,134,993	3,527,300	1,785,980	37,298,246	6,116,000
November	17,489,500	6,858,927	2,398,709	1,923,530	11,181,166	3,412,085	3,533,400	1,914,735	37,530,886	6,734,250
December	16,709,600	6,566,052	2,345,244	1,923,530	10,834,826	3,267,691	3,526,375	1,957,512	36,296,004	7,507,400
1836:										
January	17,953,500	6,842,803	2,472,267	1,898,915	11,213,985	3,091,510	3,484,620	2,035,709	37,779,324	7,632,000
February	18,240,250	6,872,526	2,660,993	1,898,915	11,432,434	3,005,626	3,507,500	2,087,384	38,273,194	7,678,500
March	17,811,600	6,908,651	2,837,181	1,898,915	11,644,747	2,947,446	3,513,375	2,090,775	38,007,943	8,003,400
April	18,448,500	7,378,686	3,113,192	1,911,756	12,403,634	3,054,217	3,531,920	2,101,875	39,540,146	7,638,500
May	18,000,800	7,188,185	3,212,518	1,911,756	12,312,459	3,409,317	3,582,950	2,078,271	39,383,797	7,392,000
June	17,222,250	6,720,599	3,123,750	1,911,756	11,756,105	3,244,996	3,367,675	1,948,532	37,539,558	7,046,500
July	18,582,750	6,716,830	3,371,942	1,491,240	11,580,012	3,230,066	3,320,600	1,940,976	38,654,404	6,224,250
August	18,376,400	6,618,557	3,548,697	1,491,240	11,658,494	3,220,573	3,176,825	1,940,091	38,372,383	5,439,400
September	17,389,750	6,590,982	3,803,629	1,491,240	11,885,851	3,204,376	3,136,750	2,060,958	37,677,685	5,147,500
October	17,600,500	7,036,550	4,010,810	1,074,384	12,121,744	3,350,968	3,351,760	2,498,626	38,923,598	4,842,250
November	17,367,000	6,933,061	3,996,076	1,074,384	12,003,521	3,649,481	3,565,700	2,293,768	38,879,470	4,259,800
December	16,933,250	6,560,363	3,593,847	1,074,384	11,228,594	3,206,068	3,572,040	1,813,509	36,753,461	4,177,750
1837:										
January	18,735,000	6,831,721	3,661,659	540,983	11,034,363	3,149,321	3,487,150	2,143,361	38,549,195	3,990,600
February	18,535,750	6,699,885	3,607,933	540,983	10,848,801	3,074,541	3,464,475	2,113,815	38,037,382	3,938,750
March	17,556,250	6,619,671	3,588,057	540,983	10,748,711	2,931,429	3,345,750	1,997,905	36,580,045	4,262,750
April	18,981,000	6,960,741	3,733,563	426,059	11,120,363	2,863,924	3,337,640	1,885,210	38,188,137	4,310,750
May	18,519,800	6,813,663	3,676,426	426,059	10,916,148	3,280,145	3,318,000	1,702,938	37,737,031	4,641,600
June	17,025,000	6,306,607	3,374,893	426,059	10,107,559	3,042,897	3,160,700	1,540,909	34,877,065	5,324,250
July	19,174,500	6,229,418	3,355,911	346,242	9,931,571	2,977,539	3,091,300	1,444,762	36,619,672	5,857,000
August	19,253,000	6,217,703	3,371,756	346,242	9,935,701	2,937,273	2,976,875	1,482,026	36,584,875	6,332,600
September	18,106,000	6,376,382	3,566,210	346,242	10,288,834	2,957,730	2,981,780	1,650,042	35,984,386	7,192,250
October	18,353,800	6,877,228	3,969,630	318,083	11,164,941	3,110,527	3,247,300	2,085,371	37,961,939	7,677,400
November	18,039,750	6,699,591	3,836,486	318,083	10,854,160	3,460,518	3,279,150	2,175,043	37,808,621	8,553,250
December	17,176,500	6,382,153	3,657,415	318,083	10,357,651	3,107,554	3,274,060	2,247,541	36,163,306	9,589,500

RETURN of the Circulation of Notes of the Bank of England, of Private and Joint Stock Banks, &c.—*continued.*

	ENGLAND.					SCOTLAND.	IRELAND,		TOTAL.	BULLION in the Bank of England.
	Bank of England.	Private Banks.	Joint Stock Banks.	Banks from which no Return was received until July 1841.	Aggregate Monthly Circulation of Country Banks in England and Wales.	Chartered, Private, and Joint Stock Banks.	Bank of Ireland.	Private and Joint Stock Banks.		
1838:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
January	18,948,000	6,659,282	3,763,187	271,498	10,693,967	3,000,288	3,312,600	2,246,424	38,201,279	9,912,600
February	19,319,000	6,601,653	3,817,398	271,498	10,690,549	2,902,077	3,377,700	2,392,784	38,682,110	10,258,000
March	18,331,750	6,680,881	3,985,759	271,498	10,938,138	2,820,476	3,359,620	2,408,358	37,858,342	10,258,000
April	19,432,500	7,176,042	4,352,078	272,471	11,800,591	2,931,650	3,378,950	2,391,616	39,935,307	9,656,500
May	19,236,000	7,119,881	4,402,608	272,471	11,794,960	2,343,172	3,424,675	2,263,383	39,062,190	9,585,000
June	18,426,500	6,745,868	4,241,408	272,471	11,259,747	3,409,068	3,289,040	2,055,041	38,439,396	9,982,250
July	20,249,400	6,762,555	4,239,333	250,719	11,252,607	3,121,882	3,222,350	1,896,768	39,743,007	9,680,800
August	19,782,000	6,716,960	4,207,070	250,719	11,174,749	3,138,352	3,112,475	1,911,644	39,119,220	9,525,500
September	18,724,000	6,737,737	4,296,963	250,719	11,285,419	3,112,289	3,054,260	1,953,172	38,129,140	9,486,500
October	18,829,000	7,346,481	4,683,414	256,419	12,286,314	3,310,173	3,323,475	2,492,616	40,241,578	9,170,000
November	18,403,000	7,258,820	4,642,031	256,419	12,157,270	3,628,131	3,483,725	2,823,511	40,495,637	9,367,750
December	17,718,750	7,047,777	4,459,201	256,419	11,763,397	3,637,215	3,488,640	2,972,118	39,580,120	9,686,000
1839:										
January	18,554,800	7,539,120	4,566,369	232,592	12,338,081	3,244,603	3,551,525	3,090,246	40,779,255	8,318,800
February	18,551,750	7,377,736	4,560,610	232,592	12,170,938	3,141,885	3,589,325	2,983,578	40,437,476	7,001,750
March	17,813,750	7,340,793	4,617,806	232,592	12,191,191	3,024,427	3,531,260	2,758,517	39,319,145	6,414,500
April	18,616,400	7,682,210	4,854,096	126,006	12,662,312	3,058,398	3,531,325	2,676,431	40,544,866	4,927,600
May	18,111,000	7,587,118	4,806,629	126,006	12,519,753	3,397,019	3,557,575	2,536,562	40,121,909	4,064,250
June	17,446,750	7,014,920	4,362,037	126,006	11,502,963	3,419,953	3,330,720	2,257,674	37,958,060	3,895,500
July	18,407,800	6,847,002	4,243,419	84,891	11,175,312	3,165,761	3,193,175	2,074,422	38,016,470	3,118,800
August	18,014,500	6,696,617	4,087,277	84,891	10,868,785	3,155,406	3,038,620	2,020,619	37,097,930	2,444,000
September	17,171,500	6,775,614	4,152,340	84,891	11,012,845	3,124,807	2,960,725	2,000,016	36,269,893	2,519,750
October	17,274,400	7,396,515	4,470,806	71,268	11,938,589	3,290,263	3,163,000	2,425,443	38,091,695	2,520,400
November	16,340,500	7,137,388	4,298,507	71,268	11,507,163	3,590,514	3,293,400	2,704,727	37,436,304	3,030,000
December	15,823,000	6,681,215	3,945,907	71,268	10,698,390	3,350,724	3,215,625	2,686,900	35,774,639	4,139,400
1840:										
January	17,315,000	6,626,674	3,941,307	62,376	10,630,357	3,076,585	3,265,550	2,715,645	37,003,137	4,364,500
February	17,064,250	6,480,475	3,908,570	62,376	10,451,421	2,968,874	3,238,940	2,722,640	36,446,125	4,138,000
March	16,224,400	6,190,306	3,895,748	62,376	10,148,430	2,764,692	3,132,500	2,663,925	34,933,947	4,535,200
April	17,355,250	7,142,728	4,247,401	91,928	11,482,057	2,954,434	3,142,500	2,515,839	37,450,080	4,225,000
May	17,019,750	7,013,417	4,211,795	91,928	11,317,140	3,496,980	3,142,260	2,298,960	37,275,090	4,361,750
June	16,407,000	6,493,395	3,935,736	91,928	10,521,059	3,428,401	2,985,350	1,790,963	35,132,773	4,734,000
July	17,681,000	6,336,824	3,697,041	57,921	10,091,786	3,228,595	2,979,950	1,876,651	35,857,982	4,499,750
August	17,561,500	6,187,267	3,551,829	57,921	9,797,017	3,203,706	2,822,920	1,813,445	35,198,588	4,349,000
September	16,764,000	6,321,041	3,652,087	57,921	10,031,049	3,248,968	2,801,600	2,133,223	34,978,840	4,143,200
October	16,782,500	6,843,750	3,980,559	40,764	10,865,073	3,384,885	3,107,480	2,409,060	36,548,998	3,224,000
November	16,173,250	6,533,125	3,826,313	40,764	10,400,202	3,736,074	3,162,350	2,386,071	35,857,947	3,279,000
December	15,714,200	6,165,828	3,542,510	40,764	9,749,102	3,516,534	3,198,175	2,382,124	34,560,135	3,942,200
1841:										
January	16,852,250	6,301,992	3,587,319	164,717	10,054,028	3,174,555	3,213,200	2,366,264	35,660,297	3,965,250
February	16,631,500	6,206,155	3,619,261	164,717	9,990,133	3,035,892	3,245,000	2,375,785	35,278,310	4,139,250
March	16,209,000	6,254,653	3,673,889	164,717	10,093,259	2,944,300	3,164,250	2,314,169	34,724,978	4,797,600
April	17,014,750	6,716,310	3,954,976	124,584	10,795,870	3,024,660	3,207,725	2,294,359	36,337,364	4,935,750
May	16,721,250	6,453,651	3,851,670	124,584	10,429,905	3,406,986	3,231,900	2,143,732	35,933,773	5,060,250
June	16,271,800	5,876,938	3,490,094	124,584	9,491,616	3,374,341	3,065,050	1,984,751	34,187,558	5,356,400
Four Weeks ending										
24 July	17,976,000	5,907,682	3,418,810	- -	9,326,492	3,181,594	3,055,025	1,905,672	35,444,783	5,011,000
21 August	17,928,000	5,844,300	3,215,253	- -	9,059,553	3,074,393	2,950,875	1,868,361	34,881,182	4,801,000
18 September	17,069,000	5,768,136	3,311,941	- -	9,080,077	3,092,549	2,877,925	1,929,906	34,049,457	4,803,000
16 October	17,340,000	6,253,964	3,519,384	- -	9,770,348	3,203,703	3,060,750	2,185,398	35,563,199	4,290,000
13 November	17,065,000	6,288,723	3,421,135	- -	9,709,858	3,383,036	3,333,375	2,611,314	36,102,583	4,218,000
11 December	16,292,000	5,718,211	3,217,812	- -	8,936,023	3,448,660	3,303,275	2,581,713	34,561,671	5,031,000
1842:										
8 January	16,293,000	5,478,189	3,042,197	- -	8,520,386	3,070,075	3,205,875	2,515,677	33,605,013	5,629,000
5 February	17,402,000	5,532,524	3,068,901	- -	8,601,425	2,922,882	3,279,075	2,534,039	34,739,421	5,602,000
5 March	16,894,000	5,299,455	2,990,986	- -	8,290,441	2,811,109	3,188,750	2,407,625	33,591,925	6,281,000
2 April	16,674,000	5,289,050	3,047,656	- -	8,336,706	2,670,290	3,074,125	2,259,556	33,014,677	7,006,000
30 April	18,404,000	5,482,189	3,160,900	- -	8,643,089	2,590,715	3,100,625	2,111,322	34,849,751	7,082,000
28 May	17,891,000	5,365,654	3,101,540	- -	8,467,194	2,951,383	3,093,900	1,963,152	34,366,629	7,383,000
25 June	17,543,000	4,995,594	2,850,532	- -	7,846,126	2,887,038	2,901,525	1,769,184	32,946,873	7,846,000
23 July	19,908,000	5,166,581	2,939,195	- -	8,105,776	2,715,680	2,892,775	1,680,987	35,303,218	8,883,000
20 August	20,351,000	5,150,628	2,823,090	- -	7,973,718	2,674,835	2,831,750	1,632,617	35,463,920	9,570,000
17 September	19,914,000	5,098,259	2,819,749	- -	7,918,008	2,648,549	2,806,025	1,663,012	34,949,594	9,816,000
15 October	19,503,000	5,488,661	3,064,539	- -	8,553,200	2,743,795	3,041,150	2,002,784	35,843,929	9,801,000
12 November	20,104,000	5,434,822	3,196,964	- -	8,631,786	2,891,865	3,162,200	2,126,829	36,916,680	9,907,000
10 December	18,841,000	5,085,885	3,001,590	- -	8,087,475	3,091,228	3,138,525	2,104,855	35,263,083	10,511,000

* The above includes the circulation of every existing Bank, with the exception of two Private Banks, which have not made any Return, and are therefore included in the "Unreturned" column.

(*continued*)

RETURN of the Circulation of Notes of the Bank of England, of Private and Joint Stock Banks, &c.—*continued.*

Four Weeks ending	ENGLAND.					SCOTLAND.	IRELAND.		TOTAL.	BULLION in the Bank of England.
	Bank of England.	Private Banks.	Joint Stock Banks.	Banks from which no Return was received until July 1841.	Aggregate Monthly Circulation of Country Banks in England and Wales.	Chartered, Private, and Joint Stock Banks.	Bank of Ireland.	Private and Joint Stock Banks.		
1843:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
7 January	18,283,000	4,942,825	2,839,909	-	7,782,734	2,770,838	3,112,950	2,099,641	34,049,163	11,054,000
4 February	21,108,000	5,024,716	2,908,005	-	7,932,721	2,629,691	3,197,275	2,117,341	36,985,028	10,933,000
4 March	20,340,000	4,785,724	2,844,077	-	7,629,801	2,588,370	3,196,125	2,097,225	35,851,521	10,984,000
1 April	19,539,000	4,716,506	2,862,986	-	7,579,492	2,457,604	3,085,400	2,019,740	34,681,236	11,420,000
29 April	20,329,000	4,990,006	3,111,448	-	8,101,454	2,487,311	3,153,350	1,971,750	36,042,865	11,316,000
27 May	19,422,000	4,765,578	3,017,167	-	7,782,745	2,843,162	3,206,200	1,861,357	35,115,464	11,325,000
24 June	18,411,000	4,503,478	2,868,779	-	7,367,257	2,869,863	3,105,150	1,734,730	33,488,000	11,873,000
22 July	19,809,000	4,460,098	2,840,312	-	7,300,410	2,665,326	3,089,100	1,681,958	34,545,794	11,872,000
19 August	20,051,000	4,332,476	2,782,312	-	7,114,788	2,667,378	3,018,750	1,681,584	34,533,500	11,973,000
16 September	19,132,000	4,288,180	2,763,302	-	7,051,482	2,659,176	2,975,950	1,699,946	33,518,554	12,250,000
14 October	19,024,000	4,721,109	3,130,002	-	7,851,111	2,762,353	3,232,575	2,058,845	34,928,884	12,086,000
11 November	19,554,000	4,904,574	3,315,318	-	8,219,992	2,945,030	3,511,475	2,404,045	36,634,442	12,025,000
9 December	18,791,000	4,533,048	3,161,033	-	7,694,081	3,166,920	3,502,475	2,376,676	35,531,152	12,996,000
1844:										
6 January	18,964,000	4,822,675	3,234,999	-	8,057,674	2,901,746	3,489,650	2,361,189	35,774,259	14,638,000
3 February	21,828,000	4,980,138	3,446,433	-	8,426,571	2,791,403	3,581,000	2,429,565	39,056,539	15,480,000
2 March	21,471,000	4,992,709	3,427,189	-	8,419,998	2,684,191	3,609,000	2,428,498	38,612,587	16,011,000
30 March	20,842,000	4,983,646	3,502,363	-	8,486,009	2,610,712	3,573,100	2,424,072	37,935,893	16,322,000
27 April	21,839,000	5,295,239	3,752,867	-	9,048,106	2,714,627	3,625,925	2,357,446	39,585,104	15,844,000
25 May	21,504,000	5,142,830	3,680,413	-	8,823,243	3,041,079	3,663,500	2,241,722	39,273,544	15,752,000
22 June	20,634,000	4,743,057	3,665,104	-	8,408,161	3,117,988	3,488,300	2,080,277	37,728,726	15,898,000
20 July	21,448,000	4,624,179	3,340,326	-	7,964,505	2,903,322	3,440,700	1,974,284	37,730,811	15,485,000
17 August	21,980,000	4,550,353	3,204,460	-	7,754,813	2,894,853	3,378,125	1,993,533	38,001,324	15,227,000
14 September	21,285,000	4,338,569	3,158,290	-	7,496,859	2,940,456	3,359,150	2,052,262	37,133,727	15,291,000
12 October	21,029,000	4,674,162	3,331,516	-	8,005,678	2,987,665	3,597,850	2,456,261	38,076,454	14,832,000
9 November	21,998,000	4,639,171	3,219,984	-	7,859,155	3,284,295	3,896,750	2,832,397	39,870,597	14,111,000
7 December	20,986,000	4,442,725	3,086,676	-	7,529,401	3,486,818	3,900,275	2,945,046	38,847,540	14,450,000
1845:										
4 January	20,301,000	4,429,454	3,056,862	-	7,486,316	3,159,450	3,917,800	3,065,751	37,930,317	14,867,000
1 February	21,619,000	4,577,405	3,137,455	-	7,714,860	3,070,058	3,983,050	3,115,066	39,502,034	14,821,000
1 March	21,080,000	4,411,507	3,089,879	-	7,501,386	2,986,708	3,991,050	3,130,508	38,689,652	15,410,000
29 March	20,660,000	4,449,864	3,147,835	-	7,597,699	2,950,870	3,946,625	3,105,552	38,260,746	16,006,000
26 April	22,078,000	4,680,648	3,306,245	-	7,986,893	3,001,240	4,036,400	3,016,231	40,118,764	15,924,000
24 May	21,938,000	4,625,600	3,294,981	-	7,920,581	3,357,251	4,029,575	2,897,787	40,143,194	15,985,000
21 June	21,277,000	4,398,833	3,131,109	-	7,529,942	3,485,531	3,882,600	2,736,432	38,911,505	16,544,000
19 July	22,076,000	4,478,679	3,158,775	-	7,637,454	3,333,906	3,860,475	2,633,657	39,541,492	16,274,000
16 August	22,567,000	4,429,177	3,124,464	-	7,553,641	3,303,255	3,776,775	2,582,384	39,783,055	15,711,000
13 September	21,931,000	4,358,253	3,142,142	-	7,500,395	3,341,397	3,712,725	2,547,130	39,032,647	15,501,000
11 October	21,890,000	4,559,712	3,311,527	-	7,871,239	3,428,074	3,907,025	2,926,265	40,022,603	14,988,000
8 November	23,136,000	4,740,288	3,334,419	-	7,074,707	3,593,988	4,374,850	3,449,690	42,629,235	13,950,000
6 December	22,015,000	4,569,278	3,221,883	-	7,791,161	3,804,031	4,404,975	3,311,855	41,327,022	13,358,000
1846:										
3 January	21,028,000	4,505,823	3,162,742	-	7,668,565	3,336,409	4,351,200	3,053,166	39,437,340	13,313,000
31 January	22,169,000	4,644,062	3,254,215	-	7,898,277	3,182,225	4,305,975	3,104,776	40,660,253	13,205,000
28 February	21,111,000	4,471,236	3,108,580	-	7,579,816	3,083,792	4,304,350	3,165,379	39,244,337	13,558,000
28 March	20,346,000	4,515,407	3,176,935	-	7,692,342	3,018,771	4,257,200	3,187,760	38,502,073	13,893,000
25 April	21,279,000	4,736,786	3,301,184	-	8,037,970	3,096,317	4,355,025	3,181,298	39,949,610	13,682,000
23 May	21,227,000	4,650,873	3,264,753	-	7,915,626	3,401,882	4,359,400	3,062,680	39,966,088	14,053,000
20 June	20,553,000	4,456,629	3,128,185	-	7,584,814	3,508,655	4,119,850	2,852,176	38,618,495	15,185,000
18 July	21,284,000	4,410,585	3,088,619	-	7,499,204	3,390,060	3,995,875	2,690,616	38,859,755	15,899,000
15 August	21,538,000	4,363,182	3,061,680	-	7,424,862	3,371,906	3,876,700	2,603,817	38,815,285	15,935,000
12 September	21,192,000	4,407,765	3,111,536	-	7,519,301	3,446,787	3,923,575	2,664,600	38,746,263	16,293,000
10 October	21,194,000	4,666,748	3,262,588	-	7,929,336	3,665,155	4,184,575	3,066,980	40,040,046	15,983,000
7 November	22,251,000	4,783,501	3,309,336	-	8,092,837	3,765,264	4,431,000	3,405,825	41,945,926	14,901,000
5 December	21,055,000	4,596,549	3,190,417	-	7,786,966	3,996,861	4,375,025	3,464,505	40,678,357	14,946,000
1847:										
2 January	20,633,000	4,525,855	3,138,321	-	7,664,176	3,787,151	4,212,225	3,303,189	39,599,741	15,083,000
30 January	21,613,000	4,675,347	3,267,888	-	7,943,235	3,600,731	4,115,300	3,144,126	40,416,392	13,650,000
27 February	20,415,000	4,549,216	3,198,132	-	7,747,348	3,503,300	4,026,950	3,003,103	38,695,701	12,212,000
27 March	20,087,000	4,541,543	3,247,531	-	7,789,074	3,360,348	3,857,800	2,846,936	37,941,158	11,322,000
24 April	21,014,000	4,722,349	3,301,819	-	8,024,168	3,395,524	3,803,525	2,717,709	38,954,926	9,664,000
22 May	20,146,000	4,613,562	3,252,058	-	7,865,620	3,516,944	3,623,525	2,395,064	37,547,153	9,686,000
19 June	19,078,000	4,385,608	3,088,327	-	7,473,935	3,647,314	3,327,400	2,137,551	35,664,200	10,319,000
17 July	19,460,000	4,339,077	3,034,017	-	7,373,094	3,495,921	3,232,475	2,024,903	35,586,393	10,232,000
14 August	19,607,000	4,258,222	2,990,930	-	7,249,152	3,455,651	3,107,100	1,990,145	35,409,048	9,410,000
11 September	18,918,000	4,179,178	2,954,347	-	7,133,525	3,497,525	3,026,550	2,021,760	34,597,360	9,063,000
9 October	19,182,000	4,317,294	3,107,292	-	7,424,586	3,559,976	3,152,200	2,203,413	35,522,175	8,659,000
6 November	21,152,000	4,273,903	3,083,936	-	7,357,839	3,606,718	3,274,350	2,244,964	37,635,871	8,478,000
4 December	20,161,000	3,691,304	2,576,686	-	6,267,990	3,732,585	3,175,400	2,147,341	35,484,316	10,210,000

RETURN of the Circulation of Notes of the Bank of England, of Private and Joint Stock Banks, &c.—*continued.*

Four Weeks ending	ENGLAND.					SCOTLAND.	IRELAND.		TOTAL.	BULLION in the Bank of England.
	Bank of England.	Private Banks.	Joint Stock Banks.	Banks from which no Return was received until July 1841.	Aggregate Monthly Circulation of Country Banks in England and Wales.	Chartered, Private, and Joint Stock Banks.	Bank of Ireland.	Private and Joint Stock Banks.		
1848:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
1 January	18,789,000	3,528,631	2,410,376	-	5,939,007	3,341,317	3,088,700	2,107,416	33,265,440	12,014,000
29 January	19,867,000	3,745,500	2,534,885	-	6,280,385	3,151,022	3,098,425	2,135,491	34,532,323	12,992,000
26 February	19,353,000	3,633,388	2,512,053	-	6,145,441	3,034,367	3,069,500	2,150,580	33,752,888	14,339,000
25 March	18,640,000	3,601,089	2,572,329	-	6,173,418	2,951,937	2,990,875	2,116,520	32,872,750	15,065,000
22 April	19,312,000	3,853,001	2,764,790	-	6,617,791	2,934,171	2,988,400	2,020,633	33,872,995	14,201,000
20 May	19,483,000	3,846,675	2,782,856	-	6,629,531	3,152,319	2,971,825	1,868,847	34,105,522	13,043,000
17 June	18,683,000	3,628,563	2,598,625	-	6,227,188	3,437,587	2,863,800	1,797,546	33,009,121	13,780,000
15 July	19,238,000	3,572,240	2,524,999	-	6,097,239	3,106,645	2,766,125	1,712,799	32,920,808	14,337,000
12 August	19,821,000	3,521,613	2,475,012	-	5,996,625	3,035,903	2,639,000	1,674,304	33,166,832	13,645,000
9 September	19,134,000	3,482,809	2,471,710	-	5,954,519	3,021,307	2,583,825	1,683,307	32,376,958	13,513,000
7 October	18,511,000	3,681,684	2,665,659	-	6,347,293	3,136,516	2,679,550	1,826,871	32,501,230	13,696,000
4 November	19,570,000	3,918,606	2,853,758	-	6,772,364	3,306,273	2,907,925	2,118,792	34,675,354	13,276,000
2 December	18,702,000	3,703,728	2,727,165	-	6,480,893	3,570,126	2,851,750	2,117,300	33,672,069	14,001,000
30 December	17,903,000	3,506,674	2,567,700	-	6,074,374	3,276,826	2,750,475	2,027,158	32,031,833	14,817,000
1849:										
27 January	19,292,000	3,651,797	2,621,819	-	6,273,616	3,032,872	2,717,525	1,957,214	33,273,227	15,015,000
24 February	19,505,000	3,567,306	2,591,136	-	6,158,442	2,952,177	2,673,375	1,886,705	33,175,699	15,269,000
24 March	18,986,000	3,467,078	2,590,875	-	6,057,953	2,935,120	2,598,650	1,803,100	32,380,823	15,270,000
21 April	19,697,000	3,686,399	2,798,230	-	6,484,629	2,907,915	2,604,150	1,772,671	33,466,365	14,822,000
19 May	20,129,000	3,709,781	2,720,516	-	6,450,297	3,129,189	2,610,500	1,677,388	33,976,374	14,330,000
16 June	19,312,000	3,540,417	2,661,300	-	6,201,717	3,380,902	2,481,775	1,564,700	32,941,094	14,610,000
14 July	19,398,000	3,479,978	2,586,161	-	6,066,139	3,111,724	2,419,575	1,493,007	32,488,445	15,013,000
11 August	20,414,000	3,451,112	2,531,307	-	5,982,419	3,075,970	2,340,850	1,492,222	33,305,461	14,583,000
8 September	19,520,000	3,327,758	2,457,526	-	5,785,284	3,053,322	2,308,575	1,502,870	32,170,051	14,780,000
6 October	18,841,000	3,461,570	2,576,975	-	6,038,545	3,139,414	2,427,750	1,706,178	32,152,887	15,087,000
3 November	19,960,000	3,821,668	2,780,683	-	6,602,351	3,281,709	2,678,075	2,008,188	34,530,323	15,214,000
1 December	19,244,000	3,676,728	2,703,093	-	6,379,821	3,500,186	2,656,225	2,017,906	33,798,188	16,188,300
29 December	19,040,000	3,527,246	2,601,152	-	6,128,398	3,242,448	2,626,400	2,008,103	33,045,349	16,965,000
1850:										
26 January	20,244,000	3,685,291	2,680,457	-	6,365,748	3,112,859	2,690,800	1,979,024	34,392,431	16,858,600
23 February	20,432,000	3,597,124	2,657,970	-	6,255,094	3,054,463	2,679,375	1,956,366	34,377,298	16,968,000
23 March	19,936,000	3,516,644	2,686,798	-	6,203,442	2,993,621	2,601,500	1,888,824	33,623,387	17,203,000
20 April	20,918,000	3,702,463	2,856,075	-	6,558,538	3,014,526	2,626,425	1,862,360	34,979,849	16,851,000
18 May	21,152,000	3,736,797	2,896,667	-	6,633,464	3,194,711	2,663,450	1,805,385	35,449,010	16,604,000
15 June	20,401,000	3,552,821	2,745,227	-	6,298,048	3,471,528	2,530,125	1,711,686	34,412,387	16,812,000
13 July	20,723,000	3,526,708	2,718,479	-	6,245,187	3,238,520	2,501,675	1,643,144	34,351,526	16,909,000
10 August	21,887,000	3,499,571	2,672,526	-	6,172,097	3,172,656	2,441,125	1,637,130	35,310,008	16,844,000
7 September	20,949,000	3,412,011	2,611,505	-	6,023,516	3,173,784	2,438,700	1,715,279	34,300,279	16,797,000
5 October	20,376,000	3,519,787	2,715,171	-	6,234,958	3,242,595	2,546,275	1,948,184	34,348,012	16,691,000
2 November	21,157,000	3,784,269	2,894,270	-	6,678,539	3,318,618	2,740,600	2,253,706	36,148,463	16,080,000
30 November	20,188,000	3,610,772	2,789,078	-	6,399,850	3,594,247	2,698,250	2,245,420	35,125,767	16,125,000
28 December	19,757,000	3,450,811	2,685,543	-	6,136,354	3,345,649	2,647,600	2,209,359	34,095,962	15,521,000
1851:										
25 January	20,805,000	3,573,292	2,728,624	-	6,301,916	3,252,485	2,646,150	2,136,501	35,142,052	14,607,000
22 February	20,252,000	3,473,938	2,689,098	-	6,163,036	3,138,226	2,628,000	2,113,051	34,294,313	14,384,000
22 March	19,908,000	3,386,962	2,685,756	-	6,072,718	3,033,235	2,574,275	2,046,637	33,634,865	14,422,000
19 April	20,530,000	3,590,340	2,880,410	-	6,470,750	3,082,416	2,564,625	1,999,752	34,647,543	13,771,000
17 May	20,636,000	3,692,787	2,958,160	-	6,650,947	3,254,470	2,604,225	1,924,748	35,070,390	13,293,000
14 June	20,154,000	3,513,765	2,805,280	-	6,319,045	3,474,171	2,460,900	1,808,018	34,216,134	13,759,000
12 July	20,594,000	3,432,343	2,731,036	-	6,163,379	3,215,440	2,364,550	1,691,724	34,029,093	14,187,000
9 August	21,634,000	3,347,496	2,652,639	-	6,000,135	3,154,984	2,306,000	1,672,435	34,767,554	13,882,000
6 September	21,018,000	3,219,275	2,569,918	-	5,789,193	3,125,691	2,252,350	1,719,907	33,905,141	14,264,000
4 October	20,399,000	3,317,926	2,684,781	-	6,002,707	3,166,005	2,316,675	1,899,230	33,783,617	14,781,000
1 November	21,608,000	3,605,315	2,860,627	-	6,465,942	3,313,433	2,512,525	2,200,364	36,100,264	15,156,000
29 November	20,762,000	3,499,656	2,783,448	-	6,283,104	3,590,459	2,540,300	2,308,106	35,483,969	15,777,000
27 December	19,899,000	3,370,976	2,678,391	-	6,049,367	3,356,974	2,470,225	2,256,542	34,032,108	17,043,000
1852:										
24 January	21,485,000	3,494,416	2,743,351	-	6,237,767	3,283,502	2,484,650	2,195,806	35,686,725	17,683,000
21 February	21,675,000	3,442,723	2,723,808	-	6,166,531	3,178,859	2,473,550	2,180,606	35,674,546	18,510,000
20 March	21,341,000	3,397,432	2,733,688	-	6,131,120	3,081,769	2,428,700	2,133,794	35,116,883	19,517,000
17 April	22,174,000	3,578,917	2,908,732	-	6,487,649	3,111,970	2,451,250	2,101,608	36,326,477	19,554,000
15 May	22,966,000	3,642,189	2,956,414	-	6,598,603	3,303,002	2,565,100	2,051,009	37,483,714	20,006,000
12 June	22,722,000	3,504,864	2,850,555	-	6,355,419	3,580,302	2,510,625	2,018,364	37,186,710	20,835,000
10 July	23,390,000	3,443,191	2,807,073	-	6,250,264	3,338,295	2,490,050	1,916,123	37,384,732	21,977,000
7 August	24,760,000	3,476,700	2,813,581	-	6,290,281	3,307,750	2,501,000	1,895,455	38,754,486	21,809,000
4 September	24,157,000	3,406,593	2,764,442	-	6,171,035	3,334,198	2,505,875	2,002,826	38,170,034	21,891,000
2 October	23,347,000	3,550,658	2,929,757	-	6,480,415	3,443,061	2,607,950	2,267,756	38,146,182	21,782,000
30 October	24,687,000	3,873,449	3,080,900	-	6,954,349	3,620,689	2,830,900	2,715,572	40,808,510	21,447,000
27 November	24,470,000	3,780,028	2,980,747	-	6,760,775	3,903,882	2,843,000	2,780,152	40,757,809	21,300,000
25 December	23,803,000	3,647,713	2,914,201	-	6,561,914	3,764,064	2,857,675	2,827,766	39,904,419	21,308,000

RETURN of the Circulation of Notes of the Bank of England, of Private and Joint Stock Banks, &c.—*continued.*

Four Weeks ending	ENGLAND. Bank of England.	ENGLAND. Private Banks.	ENGLAND. Joint Stock Banks.	ENGLAND. Banks from which no Return was received until July 1841.	ENGLAND. Aggregate Monthly Circulation of Country Banks in England and Wales.	SCOTLAND. Chartered, Private, and Joint Stock Banks.	IRELAND. Bank of Ireland.	IRELAND. Private and Joint Stock Banks.	TOTAL.	BULLION in the Bank of England.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
1853:										
22 January -	24,848,000	3,771,528	2,989,578	- -	6,761,106	3,612,710	2,896,100	2,793,551	40,911,467	19,712,000
19 February -	23,927,000	3,730,869	2,970,827	- -	6,701,696	3,529,985	2,880,875	2,800,563	39,840,119	18,615,000
19 March -	23,206,000	3,671,532	2,993,634	- -	6,665,166	3,443,894	2,804,800	2,715,744	38,835,604	18,806,000
16 April -	24,092,000	3,863,293	3,132,388	- -	6,995,681	3,492,622	2,822,100	2,693,532	40,095,935	19,037,000
14 May - -	24,702,000	3,909,775	3,135,135	- -	7,044,910	3,687,329	2,868,725	2,639,824	40,942,788	18,338,900
11 June - -	24,270,000	3,758,260	3,041,149	- -	6,799,409	4,026,225	2,771,650	2,594,518	40,461,802	18,157,000
9 July - -	24,349,000	3,718,168	3,017,819	- -	6,735,987	3,761,640	2,724,950	2,448,678	40,020,255	18,530,000
6 August -	25,075,000	3,712,529	2,993,902	- -	6,706,431	3,746,294	2,708,025	2,449,190	40,684,940	17,757,000
3 September -	24,296,000	3,648,294	2,984,629	- -	6,632,923	3,728,890	2,693,250	2,537,137	39,888,200	16,986,000
1 October -	23,772,000	3,788,016	3,075,629	- -	6,863,645	3,843,226	2,763,775	2,747,210	39,989,856	15,839,000
29 October -	24,557,000	4,069,369	3,162,929	- -	7,232,298	3,987,689	3,031,425	3,235,627	42,044,039	15,313,000
26 November -	23,225,000	3,967,236	3,120,864	- -	7,088,100	4,286,486	3,054,625	3,324,595	40,978,806	15,611,000
24 December -	22,112,000	3,833,753	3,056,085	- -	6,889,838	4,112,787	3,095,900	3,357,327	39,567,852	15,424,000
1854:										
21 January -	22,873,000	3,914,550	3,081,454	- -	6,996,004	3,998,126	3,151,675	3,388,054	40,406,859	15,962,000
18 February -	23,305,000	3,896,015	3,058,453	- -	6,954,468	3,974,109	3,225,900	3,568,806	41,028,283	16,227,000
18 March -	22,376,000	3,811,787	3,076,382	- -	6,888,169	3,844,363	3,217,425	3,493,353	39,819,310	15,604,000
15 April - -	23,107,000	3,901,014	3,153,418	- -	7,054,422	3,834,098	3,235,375	3,406,036	40,636,941	14,183,000
13 May - -	23,057,000	3,949,109	3,135,176	- -	7,084,285	3,967,606	3,299,600	3,285,920	40,694,411	12,857,000
10 June - -	21,542,000	3,756,975	3,023,221	- -	6,780,196	4,319,098	3,127,750	3,052,538	38,821,582	12,683,000
8 July - -	20,994,000	3,624,168	2,930,409	- -	6,554,577	4,020,561	2,989,150	2,812,212	37,370,500	13,804,000
5 August -	21,607,000	3,570,476	2,883,244	- -	6,453,720	3,962,576	2,929,900	2,684,167	37,637,363	13,561,000
2 September -	21,100,000	3,485,046	2,853,908	- -	6,338,954	3,867,441	2,869,125	2,708,286	36,883,806	13,566,000
30 September -	20,650,000	3,599,879	2,979,372	- -	6,579,251	3,970,706	2,880,325	2,793,243	36,873,525	13,223,000
28 October -	21,683,000	3,967,550	3,139,739	- -	7,107,289	4,182,128	3,142,475	3,200,606	39,315,498	13,216,000
25 November -	21,206,000	3,948,357	3,137,446	- -	7,085,803	4,451,908	3,246,650	3,411,662	39,402,023	13,577,000
23 December -	20,298,000	3,848,896	3,072,727	- -	6,921,623	4,316,095	3,260,275	3,462,374	38,258,367	14,010,000
1855:										
20 January -	20,852,000	3,943,067	3,104,170	- -	7,047,237	4,119,523	3,117,125	3,615,495	38,751,380	13,051,000
17 February -	20,550,000	3,812,806	3,006,424	- -	6,819,230	3,932,869	3,395,125	3,390,565	38,087,789	12,723,000
17 March -	19,924,000	3,744,604	3,022,000	- -	6,766,604	3,811,583	3,381,375	3,276,196	37,159,758	13,514,000
14 April - -	20,574,000	3,912,806	3,151,891	- -	7,064,697	3,742,940	3,316,800	3,145,658	37,844,095	15,058,000
12 May - -	21,187,000	3,938,584	3,151,955	- -	7,090,539	3,901,201	3,322,925	3,019,325	38,520,990	15,554,000
9 June - -	20,616,000	3,830,714	3,071,332	- -	6,902,046	4,377,695	3,180,575	2,841,410	37,917,726	17,316,000
7 July - -	20,934,000	3,776,717	3,010,492	- -	6,787,209	4,115,907	3,075,800	2,676,802	37,589,718	17,958,000
4 August -	22,026,000	3,734,779	2,961,744	- -	6,696,523	4,048,716	3,042,650	2,621,272	38,435,161	16,648,000
1 September -	21,227,000	3,605,892	2,900,971	- -	6,506,863	3,963,833	2,936,875	2,657,687	37,292,258	15,719,000
29 September -	20,855,000	3,712,596	3,022,042	- -	6,734,638	4,094,106	3,018,825	2,881,187	37,583,756	13,531,000
27 October -	21,423,000	4,073,894	3,156,987	- -	7,230,881	4,302,335	3,344,600	3,444,015	39,744,831	11,641,000
24 November -	20,546,000	3,981,654	3,120,496	- -	7,102,150	4,547,997	3,391,025	3,573,350	39,160,522	11,234,000
22 December -	19,554,000	3,842,755	3,058,159	- -	6,900,914	4,400,763	3,424,025	3,619,254	37,898,956	11,148,000
1856:										
19 January -	19,920,000	3,911,880	3,080,816	- -	6,992,696	4,142,789	3,414,825	3,555,365	38,025,675	10,550,000
16 February -	19,794,000	3,798,493	2,980,599	- -	6,779,092	3,957,483	3,404,025	3,448,615	37,383,215	10,549,000
15 March -	19,396,000	3,692,037	2,993,672	- -	6,685,709	3,819,813	3,332,425	3,259,088	36,493,035	10,570,000
12 April -	19,978,000	3,857,091	3,129,343	- -	6,986,434	3,783,383	3,266,800	3,207,942	37,222,559	10,245,000
10 May - -	20,851,000	3,931,023	3,148,100	- -	7,079,123	3,938,996	3,354,975	3,156,938	38,381,032	9,796,000
7 June - -	20,278,000	3,815,905	3,066,419	- -	6,882,324	4,472,759	3,250,550	3,113,829	37,997,462	10,858,000
5 July - -	20,295,000	3,740,825	3,035,094	- -	6,775,919	4,133,110	3,147,925	3,031,229	37,383,183	12,541,000
2 August -	21,538,000	3,725,394	2,990,490	- -	6,715,884	4,005,484	3,123,800	3,008,255	38,391,423	12,383,000
30 August -	20,964,000	3,556,561	2,918,771	- -	6,475,332	3,941,450	3,038,500	3,003,328	37,422,610	12,443,000
27 September -	20,850,000	3,669,837	3,048,232	- -	6,718,069	4,002,666	3,132,475	3,254,236	37,957,446	12,055,000
25 October -	21,735,000	3,939,874	3,155,099	- -	7,094,973	4,219,079	3,482,675	3,759,282	40,291,009	10,080,000
22 November -	20,965,000	3,855,090	3,113,984	- -	6,969,074	4,444,702	3,559,200	3,866,540	39,804,516	9,677,000
20 December -	19,808,000	3,696,543	3,044,845	- -	6,741,388	4,349,383	3,529,600	3,777,703	38,206,074	10,526,000
1857:										
17 January -	20,007,279	3,729,209	3,051,574	- -	6,780,783	4,125,178	3,567,350	3,601,357	38,081,947	10,176,000
14 February -	19,792,102	3,693,031	3,036,738	- -	6,729,769	3,957,810	3,585,000	3,668,905	37,733,586	10,124,000
14 March -	19,366,575	3,635,602	3,043,057	- -	6,678,659	3,828,478	3,561,575	3,611,634	37,046,921	10,339,000
11 April -	19,442,177	3,761,062	3,159,608	- -	6,920,670	3,832,585	3,557,975	3,596,303	37,849,710	9,680,000

Inland Revenue Office,
20 May 1857.

Appendix, No. 16.

AN ACCOUNT of the AGGREGATE DAILY CIRCULATION of BANKS of ISSUE in *England* and *Wales*, from the 15th October 1844 to the 9th May 1857.

ENGLAND AND WALES.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1844:	£.	£.	£.
October - 14	4,739,831	3,318,783	8,058,614
15	4,728,936	3,321,023	8,049,959
16	4,724,266	3,308,503	8,032,769
17	4,747,299	3,306,108	8,053,407
18	4,729,970	3,291,913	8,021,883
19	4,721,784	3,288,793	8,010,577
21	4,699,921	3,262,288	7,962,209
22	4,684,687	3,246,333	7,931,020
23	4,673,361	3,217,983	7,891,344
24	4,668,583	3,215,553	7,884,136
25	4,655,939	3,214,299	7,870,238
26	4,666,437	3,221,328	7,887,765
28	4,688,288	3,242,303	7,930,591
29	4,654,495	3,227,414	7,881,909
30	4,616,417	3,195,573	7,811,990
31	4,607,637	3,189,123	7,796,760
November - 1	4,583,389	3,161,573	7,744,962
2	4,561,381	3,160,993	7,722,374
4	4,528,666	3,138,008	7,666,674
5	4,542,848	3,151,938	7,694,786
6	4,532,273	3,144,848	7,677,121
7	4,544,593	3,146,778	7,691,371
8	4,521,927	3,141,338	7,663,265
9	4,519,924	3,466,648	7,986,572
11	4,492,175	3,138,398	7,630,573
12	4,485,485	3,154,508	7,639,993
13	4,480,343	3,123,348	7,603,691
14	4,481,184	3,121,903	7,603,087
15	4,480,445	3,113,183	7,593,628
16	4,483,778	3,121,143	7,604,921
18	4,461,522	3,093,848	7,555,370
19	4,458,017	3,107,173	7,565,190
20	4,449,969	3,096,368	7,546,337
21	4,464,726	3,098,198	7,562,924
22	4,464,012	3,094,868	7,558,880
23	4,458,064	3,092,228	7,550,292
25	4,432,889	3,088,543	7,521,432
26	4,425,471	3,089,918	7,515,389
27	4,432,327	3,073,408	7,505,735
28	4,417,524	3,062,963	7,480,487
29	4,402,544	3,055,898	7,458,442
30	4,417,902	3,073,128	7,491,030
December - 2	4,394,545	3,061,693	7,456,238
3	4,405,175	3,071,678	7,476,853
4	4,405,161	3,056,830	7,461,991
5	4,403,798	3,031,153	7,434,951
6	4,399,703	3,024,213	7,423,916
7	4,431,664	3,036,513	7,468,177
9	4,413,513	3,034,053	7,447,566
10	4,424,244	3,060,288	7,484,532
11	4,436,569	3,056,803	7,492,372
12	4,436,767	3,046,638	7,483,405
13	4,417,445	3,040,608	7,458,053
14	4,415,128	3,050,228	7,465,356
16	4,389,241	3,040,848	7,430,089

DATE.	PRIVATE BANKS.	JOINT STOCK. BANKS.	TOTAL.
1844:	£.	£.	£.
December - 17	4,412,397	3,054,943	7,467,340
18	4,410,102	3,071,358	7,481,460
19	4,417,898	3,051,988	7,469,886
20	4,413,486	3,065,733	7,479,219
21	4,426,466	3,069,873	7,496,339
23	4,394,412	3,058,273	7,452,685
24	4,418,685	3,085,143	7,503,828
25			
26	4,404,924	3,045,518	7,450,442
27	4,413,465	3,041,418	7,454,883
28	4,421,139	3,046,078	7,467,217
30	4,410,397	3,040,158	7,450,555
31	4,443,494	3,036,008	7,479,502
1845:			
January - 1	4,449,571	3,036,673	7,486,244
2	4,475,346	3,052,823	7,528,169
3	4,486,306	3,088,938	7,575,244
4	4,553,562	3,116,663	7,670,225
6	4,558,324	3,117,758	7,676,082
7	4,591,634	3,157,998	7,749,632
8	4,612,881	3,177,238	7,790,119
9	4,630,031	3,168,693	7,798,724
10	4,620,170	3,179,253	7,799,423
11	4,629,902	3,167,233	7,797,135
13	4,613,551	3,147,528	7,761,079
14	4,619,900	3,172,623	7,792,523
15	4,625,578	3,178,228	7,803,806
16	4,628,798	3,161,763	7,790,561
17	4,614,110	3,146,453	7,760,563
18	4,603,208	3,151,903	7,755,111
20	4,585,330	3,144,698	7,730,028
21	4,586,774	3,146,223	7,732,997
22	4,575,935	3,135,023	7,710,958
23	4,578,201	3,135,728	7,713,929
24	4,559,692	3,124,453	7,684,145
25	4,571,133	3,129,523	7,700,656
27	4,527,864	3,097,718	7,625,582
28	4,519,095	3,099,453	7,618,548
29	4,518,741	3,091,563	7,610,304
30	4,501,138	3,080,413	7,581,551
31	4,490,193	3,080,908	7,571,101
February - 1	4,496,142	3,107,373	7,603,515
3	4,468,651	3,081,633	7,550,284
4	4,487,920	3,107,553	7,595,473
5	4,483,754	3,113,483	7,597,237
6	4,477,582	3,118,733	7,596,315
7	4,464,793	3,119,078	7,583,871
8	4,465,295	3,123,318	7,588,613
10	4,426,425	3,095,303	7,521,728
11	4,434,053	3,114,238	7,548,291
12	4,438,598	3,097,228	7,535,826
13	4,417,091	3,096,368	7,513,459
14	4,418,984	3,102,808	7,521,792
15	4,415,180	3,126,643	7,541,823
17	4,386,775	3,105,493	7,492,268

(*continued*)

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1845:	£.	£.	£.
February - 18	4,400,859	3,096,038	7,496,897
19	4,385,377	3,085,638	7,471,015
20	4,384,076	3,079,183	7,463,259
21	4,381,458	3,088,178	7,469,636
22	4,382,719	3,087,648	7,470,367
24	4,358,769	3,043,098	7,401,867
25	4,357,376	3,050,708	7,408,084
26	4,351,194	3,050,233	7,401,427
27	4,356,998	3,045,843	7,402,841
28	4,353,822	3,046,508	7,400,330
March - 1	4,380,959	3,083,058	7,464,017
3	4,346,167	3,076,778	7,422,945
4	4,353,600	3,086,833	7,440,433
5	4,353,909	3,093,468	7,447,377
6	4,363,864	3,093,648	7,457,512
7	4,377,440	3,104,268	7,481,708
8	4,389,277	3,128,758	7,518,035
10	4,367,422	3,114,688	7,482,110
11	4,376,471	3,139,258	7,515,729
12	4,385,352	3,130,628	7,515,980
13	4,399,723	3,122,408	7,522,131
14	4,408,222	3,139,583	7,547,805
15	4,426,846	3,165,343	7,592,189
17	4,404,807	3,142,498	7,547,305
18	4,417,755	3,149,648	7,567,403
19	4,437,949	3,146,343	7,584,292
20	4,481,223	3,155,848	7,637,071
21	Good Friday.		
22	4,530,055	3,191,603	7,721,658
24	4,533,524	3,182,428	7,715,952
25	4,571,420	3,200,508	7,771,928
26	4,578,604	3,200,958	7,779,562
27	4,589,061	3,197,663	7,786,724
28	4,600,720	3,203,158	7,803,878
29	4,637,554	3,232,453	7,870,007
31	4,635,089	3,223,748	7,858,837
April - 1	4,654,714	3,257,708	7,912,422
2	4,668,052	3,263,158	7,931,210
3	4,668,282	3,279,188	7,947,470
4	4,677,165	3,290,118	7,967,283
5	4,729,647	3,348,833	8,078,480
7	4,708,252	3,339,578	8,047,830
8	4,711,654	3,365,218	8,076,872
9	4,713,090	3,357,738	8,070,828
10	4,719,190	3,350,783	8,069,973
11	4,711,918	3,342,378	8,054,296
12	4,727,583	3,360,183	8,087,766
14	4,701,207	3,324,683	8,025,890
15	4,686,735	3,334,470	8,021,205
16	4,669,970	3,322,053	7,992,023
17	4,682,335	3,322,898	8,005,233
18	4,667,626	3,308,863	7,976,489
19	4,682,981	3,327,003	8,009,984
21	4,643,753	3,297,618	7,941,371
22	4,653,964	3,295,323	7,949,287
23	4,650,395	3,271,643	7,922,038
24	4,658,946	3,254,883	7,913,829
25	4,654,526	3,247,938	7,902,464
26	4,671,490	3,264,843	7,936,333
28	4,659,635	3,256,003	7,915,638
29	4,663,632	3,267,963	7,931,595
30	4,654,730	3,268,188	7,922,918
May - 1	4,686,095	3,274,432	7,960,527
2	4,684,643	3,281,153	7,965,796
3	4,718,573	3,323,668	8,042,241
5	4,686,231	3,320,338	8,006,569
6	4,710,325	3,329,308	8,039,633
7	4,694,498	3,331,598	8,026,096
8	4,692,814	3,318,523	8,011,337
9	4,676,611	3,322,458	7,999,069
May - 10	4,682,074	3,352,128	8,034,202
12	4,662,956	3,348,796	8,011,752
13	4,655,132	3,366,358	8,021,490
14	4,649,076	3,356,658	8,005,734
15	4,633,730	3,331,407	7,965,137
16	4,602,554	3,306,857	7,909,411
17	4,584,878	3,323,843	7,908,721
19	4,534,518	3,279,238	7,813,756
20	4,528,379	3,269,288	7,797,667
21	4,511,885	3,248,558	7,760,443
22	4,485,732	3,221,693	7,707,425
23	4,476,148	3,188,893	7,665,041
24	4,482,162	3,193,038	7,675,200
26	4,439,548	3,165,013	7,604,361
27	4,448,073	3,159,678	7,607,751
28	4,430,137	3,157,048	7,587,185
29	4,424,507	3,131,153	7,555,660
30	4,418,569	3,122,058	7,540,627
31	4,452,841	3,161,973	7,614,814
June - 2	4,430,006	3,146,528	7,576,534
3	4,430,011	3,148,943	7,578,954
4	4,418,050	3,137,653	7,555,703
5	4,411,039	3,122,908	7,533,947
6	4,394,674	3,116,753	7,511,427
7	4,428,723	3,145,513	7,574,236
9	4,387,852	3,125,368	7,513,220
10	4,387,807	3,143,483	7,531,290
11	4,370,311	3,123,858	7,494,169
12	4,373,686	3,118,833	7,492,519
13	4,368,708	3,110,173	7,478,881
14	4,378,974	3,129,608	7,508,582
16	4,352,591	3,115,223	7,467,814
17	4,357,331	3,121,853	7,479,184
18	4,341,255	3,115,093	7,456,348
19	4,355,584	3,094,333	7,449,917
20	4,360,527	3,097,715	7,457,242
21	4,414,122	3,136,658	7,550,780
23	4,409,573	3,128,688	7,538,261
24	4,425,907	3,137,858	7,563,765
25	4,432,310	3,138,648	7,570,958
26	4,431,357	3,141,038	7,572,395
27	4,422,579	3,129,098	7,551,677
28	4,457,472	3,157,988	7,615,460
30	4,451,514	3,119,348	7,570,862
July - 1	4,467,707	3,145,068	7,612,775
2	4,481,770	3,155,968	7,637,738
3	4,482,971	3,155,178	7,638,149
4	4,490,862	3,158,578	7,649,440
5	4,542,041	3,221,298	7,763,339
7	4,511,847	3,204,463	7,716,310
8	4,520,435	3,224,573	7,745,008
9	4,524,082	3,222,648	7,746,730
10	4,524,996	3,201,263	7,726,259
11	4,517,322	3,184,718	7,702,040
12	4,526,716	3,192,833	7,719,549
14	4,491,614	3,157,948	7,649,562
15	4,479,188	3,150,963	7,630,151
16	4,473,335	3,134,573	7,607,908
17	4,466,115	3,124,543	7,590,658
18	4,465,351	3,108,493	7,573,844
19	4,494,159	3,115,708	7,609,867
21	4,469,864	3,106,028	7,575,892
22	4,459,751	3,122,213	7,581,964
23	4,447,739	3,121,813	7,569,552
24	4,439,604	3,109,668	7,549,272
25	4,439,031	3,104,598	7,543,629
26	4,459,403	3,130,858	7,590,261
28	4,417,814	3,099,743	7,517,557
29	4,423,321	3,102,828	7,526,149
30	4,425,228	3,106,023	7,531,251
31	4,432,411	3,094,343	7,526,754

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1845:	£.	£.	£.
August - 1	4,438,774	3,096,638	7,535,411
2	4,484,028	3,140,253	7,624,281
4	4,441,401	3,115,898	7,557,299
5	4,445,287	3,134,063	7,579,350
6	4,442,526	3,138,803	7,581,329
7	4,425,756	3,130,578	7,556,334
8	4,421,566	3,132,208	7,553,774
9	4,436,122	3,151,023	7,587,145
11	4,393,870	3,137,913	7,531,783
12	4,392,345	3,160,208	7,552,553
13	4,389,083	3,147,993	7,537,076
14	4,385,422	3,122,313	7,507,735
15	4,385,117	3,135,578	7,520,695
16	4,407,495	3,146,543	7,554,038
18	4,378,612	3,126,883	7,505,495
19	4,357,754	3,128,968	7,486,722
20	4,359,044	3,130,643	7,489,687
21	4,361,250	3,133,833	7,495,083
22	4,362,815	3,131,718	7,494,533
23	4,395,442	3,145,088	7,540,530
25	4,363,108	3,117,238	7,480,346
26	4,372,237	3,136,508	7,508,745
27	4,358,011	3,137,003	7,495,014
28	4,359,371	3,122,333	7,481,704
29	4,369,089	3,119,063	7,488,152
30	4,398,457	3,147,723	7,546,180
September - 1	4,361,578	3,145,478	7,507,056
2	4,359,488	3,152,038	7,511,526
3	4,347,952	3,144,988	7,492,940
4	4,343,435	3,143,198	7,486,633
5	4,335,335	3,130,963	7,466,298
6	4,369,467	3,159,228	7,528,695
8	4,335,472	3,138,808	7,474,280
9	4,334,062	3,157,988	7,492,050
10	4,331,798	3,158,533	7,490,331
11	4,332,575	3,151,613	7,484,188
12	4,333,923	3,154,718	7,488,641
13	4,380,444	3,197,633	7,578,077
15	4,367,282	3,191,348	7,558,630
16	4,372,847	3,217,213	7,590,060
17	4,381,269	3,215,423	7,596,692
18	4,401,308	3,223,878	7,625,186
19	4,429,725	3,255,938	7,685,663
20	4,470,097	3,288,923	7,759,020
22	4,455,303	3,268,443	7,723,746
23	4,464,811	3,276,738	7,741,549
24	4,476,493	3,287,133	7,763,626
25	4,488,189	3,297,848	7,786,037
26	4,517,382	3,311,708	7,829,090
27	4,565,250	3,354,073	7,919,323
29	4,576,009	3,337,828	7,913,837
30	4,599,258	3,353,963	7,953,221
October - 1	4,624,450	3,363,678	7,988,128
2	4,647,918	3,364,038	8,011,956
3	4,650,162	3,359,033	8,009,195
4	4,705,111	3,380,873	8,085,984
6	4,672,027	3,352,118	8,025,145
7	4,658,693	3,356,858	8,015,551
8	4,681,474	3,357,043	8,038,517
9	4,710,243	3,345,628	8,055,871
10	4,733,736	3,339,928	8,073,664
11	4,786,171	3,377,728	8,163,899
13	4,799,936	3,402,095	8,202,031
14	4,806,242	3,426,828	8,233,070
15	4,818,293	3,433,813	8,252,106
16	4,837,818	3,422,113	8,259,931
17	4,839,389	3,421,728	8,261,117
18	4,867,441	3,443,828	8,301,269
20	4,824,731	3,423,423	8,248,154
21	4,823,775	3,408,243	8,232,018
22	4,797,324	3,386,678	8,184,002
23	4,785,751	3,373,393	8,159,144
24	4,765,221	3,352,408	8,117,629
25	4,786,895	3,365,948	8,152,843
27	4,751,596	3,327,233	8,078,829
28	4,741,274	3,327,038	8,068,312
29	4,695,635	3,296,363	7,991,998
30	4,696,833	3,290,818	7,987,651
31	4,676,064	3,275,213	7,951,277
November - 1	4,702,589	3,289,868	7,992,457
3	4,654,882	3,251,238	7,906,120
4	4,637,836	3,244,148	7,881,984
5	4,627,239	3,227,498	7,854,737
6	4,614,184	3,212,463	7,826,647
7	4,598,725	3,201,128	7,799,853
8	4,629,553	3,223,338	7,852,891
10	4,617,722	3,226,418	7,844,140
11	4,604,261	3,256,013	7,860,274
12	4,618,568	3,248,498	7,867,066
13	4,613,203	3,232,063	7,845,266
14	4,604,822	3,224,483	7,829,305
15	4,638,141	3,258,488	7,896,629
17	4,590,997	3,245,073	7,836,070
18	4,571,892	3,242,358	7,814,250
19	4,551,056	3,233,315	7,784,371
20	4,565,404	3,229,181	7,794,585
21	4,563,708	3,229,773	7,793,481
22	4,606,083	3,263,333	7,869,416
24	4,562,528	3,249,823	7,812,351
25	4,554,378	3,247,698	7,802,076
26	4,549,379	3,232,283	7,781,662
27	4,546,712	3,194,767	7,741,479
28	4,541,179	3,207,663	7,748,842
29	4,566,561	3,217,973	7,784,534
December - 1	4,433,774	3,203,328	7,737,102
2	4,547,078	3,191,363	7,738,441
3	4,525,180	3,180,918	7,706,098
4	4,525,190	3,159,253	7,684,443
5	4,512,948	3,156,978	7,669,926
6	4,554,220	3,194,883	7,749,103
8	4,508,754	3,166,443	7,675,197
9	4,507,509	3,193,608	7,701,117
10	4,521,096	3,184,508	7,705,604
11	4,536,161	3,186,693	7,722,854
12	4,518,656	3,170,513	7,689,169
13	4,540,453	3,185,138	7,725,591
15	4,497,373	3,161,608	7,658,981
16	4,490,883	3,172,398	7,663,281
17	4,490,414	3,163,648	7,654,092
18	4,491,922	3,145,878	7,637,800
19	4,482,315	3,141,558	7,623,873
20	4,501,800	3,168,458	7,670,258
22	4,449,262	3,145,523	7,594,785
23	4,468,784	3,157,593	7,626,387
24	4,494,915	3,178,243	7,673,158
25			
26	4,480,763	3,157,303	7,638,066
27	4,504,191	3,150,943	7,655,134
29	4,480,740	3,138,823	7,619,563
30	4,492,283	3,154,023	7,646,306
31	4,501,348	3,118,233	7,619,581
1846:			
January - 1	4,530,397	3,133,478	7,663,875
2	4,555,219	3,149,523	7,704,742
3	4,603,491	3,201,424	7,804,915
5	4,609,904	3,209,193	7,819,097
6	4,647,843	3,246,253	7,894,096
7	4,666,867	3,259,788	7,926,655
8	4,683,285	3,253,108	7,936,393

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1846:	£.	£.	£.
January - 9	4,686,233	3,262,708	7,948,941
10	4,710,885	3,291,263	8,002,148
12	4,698,888	3,280,688	7,975,576
13	4,707,841	3,313,443	8,021,284
14	4,708,330	3,323,563	8,031,893
15	4,717,129	3,299,878	8,017,007
16	4,701,985	3,303,273	8,005,258
17	4,690,831	3,312,653	8,003,484
19	4,640,643	3,278,833	7,919,476
20	4,660,795	3,288,633	7,949,428
21	4,653,628	3,284,028	7,937,656
22	4,650,216	3,278,418	7,928,634
23	4,630,457	3,267,718	7,898,175
24	4,636,932	3,265,568	7,902,500
26	4,577,701	3,223,168	7,800,867
27	4,575,609	3,206,153	7,781,762
28	4,558,006	3,181,978	7,739,984
29	4,553,235	3,157,433	7,710,668
30	4,535,104	3,154,188	7,689,291
31	4,557,354	3,159,858	7,717,212
February - 2	4,545,078	3,161,228	7,706,306
3	4,553,440	3,161,838	7,715,278
4	4,558,857	3,152,883	7,711,740
5	4,548,184	3,129,718	7,677,902
6	4,531,554	3,117,953	7,649,507
7	4,554,326	3,150,958	7,705,284
9	4,492,177	3,115,588	7,607,765
10	4,481,027	3,127,373	7,608,400
11	4,478,178	3,118,723	7,596,901
12	4,484,478	3,116,228	7,600,706
13	4,467,574	3,117,348	7,584,922
14	4,476,185	3,139,083	7,615,268
16	4,437,159	3,109,238	7,546,397
17	4,438,132	3,108,448	7,546,580
18	4,429,848	3,091,878	7,521,726
19	4,445,001	3,091,953	7,536,954
20	4,431,918	3,089,398	7,521,316
21	4,450,806	3,097,733	7,548,539
23	4,399,951	3,071,873	7,471,824
24	4,396,468	3,068,923	7,465,391
25	4,403,228	3,058,353	7,461,581
26	4,422,107	3,061,428	7,483,535
27	4,415,571	3,054,228	7,469,799
28	4,470,316	3,094,078	7,564,394
March - 2	4,445,402	3,100,678	7,546,080
3	4,457,229	3,095,143	7,552,372
4	4,452,289	3,086,468	7,538,757
5	4,462,789	3,088,833	7,551,622
6	4,454,780	3,107,178	7,561,958
7	4,503,018	3,162,963	7,665,981
9	4,474,913	3,141,363	7,616,276
10	4,496,823	3,154,208	7,651,031
11	4,501,060	3,149,013	7,650,073
12	4,501,339	3,136,798	7,638,137
13	4,487,485	3,143,053	7,630,538
14	4,520,085	3,178,043	7,698,128
16	4,494,758	3,171,828	7,666,586
17	4,500,471	3,188,063	7,688,534
18	4,499,914	3,185,993	7,685,907
19	4,518,864	3,191,673	7,710,537
20	4,506,483	3,195,063	7,701,546
21	4,553,648	3,236,538	7,790,186
23	4,539,864	3,233,478	7,773,342
24	4,560,625	3,249,633	7,810,258
25	4,582,978	3,259,163	7,842,141
26	4,597,336	3,259,163	7,856,499
27	4,602,544	3,251,448	7,853,992
28	4,657,197	3,281,448	7,938,645
30	4,658,523	3,274,645	7,933,168
31	4,683,847	3,284,143	7,967,990
April - 1	4,700,147	3,289,613	7,989,760
2	4,727,997	3,290,268	8,018,265
3	4,745,559	3,299,268	8,044,827
4	4,783,704	3,346,363	8,130,067
6	4,769,839	3,340,233	8,110,072
7	4,776,198	3,350,618	8,126,818
8	4,778,563	3,340,323	8,116,886
9	4,806,042	3,338,238	8,144,280
10	Good Friday.		
11	4,824,764	3,366,138	8,190,902
13	4,774,125	3,334,293	8,108,418
14	4,766,640	3,365,618	8,132,258
15	4,752,697	3,356,058	8,108,755
16	4,776,509	3,335,903	8,112,412
17	4,756,641	3,317,953	8,074,594
18	4,737,867	3,302,283	8,040,150
20	4,705,261	3,263,048	7,968,309
21	4,700,369	3,250,643	7,951,012
22	4,694,115	3,234,703	7,928,818
23	4,699,683	3,211,338	7,911,021
24	4,691,539	3,204,848	7,986,387
25	4,709,289	3,214,078	7,923,367
27	4,689,114	3,222,108	7,911,222
28	4,701,667	3,236,818	7,938,485
29	4,702,191	3,255,333	7,957,524
30	4,708,990	3,257,213	7,966,203
May - 1	4,714,341	3,275,143	7,989,484
2	4,753,537	3,328,808	8,082,345
4	4,717,325	3,321,913	8,039,238
5	4,718,249	3,327,758	8,046,007
6	4,702,475	3,304,253	8,006,728
7	4,690,004	3,300,828	7,990,832
8	4,679,218	3,286,938	7,966,156
9	4,687,889	3,317,528	8,005,417
11	4,659,475	3,296,853	7,956,328
12	4,667,092	3,337,133	8,004,225
13	4,662,992	3,317,988	7,980,980
14	4,652,092	3,294,993	7,947,085
15	4,619,050	3,260,358	7,879,408
16	4,617,422	3,265,098	7,882,520
18	4,560,370	3,233,808	7,794,178
19	4,551,509	3,224,703	7,776,212
20	4,534,949	3,203,013	7,737,962
21	4,543,451	3,176,618	7,720,069
22	4,528,551	3,149,183	7,677,734
23	4,561,054	3,160,448	7,721,502
25	4,518,760	3,131,543	7,650,303
26	4,523,412	3,139,733	7,663,145
27	4,514,298	3,130,848	7,645,146
28	4,520,437	3,131,083	7,651,520
29	4,515,177	3,138,613	7,653,790
30	4,550,945	3,176,513	7,727,458
June - 1	4,517,895	3,168,838	7,686,733
2	4,523,079	3,179,233	7,702,312
3	4,508,049	3,158,623	7,666,672
4	4,485,010	3,151,113	7,636,123
5	4,480,426	3,145,463	7,625,889
6	4,503,855	3,166,543	7,670,398
8	4,467,283	3,137,918	7,605,201
9	4,453,985	3,164,743	7,618,728
10	4,452,074	3,146,458	7,598,532
11	4,437,043	3,124,548	7,561,591
12	4,405,645	3,112,878	7,518,523
13	4,416,739	3,115,018	7,531,757
15	4,375,039	3,084,303	7,459,342
16	4,364,498	3,088,368	7,452,866
17	4,354,703	3,074,653	7,429,356
18	4,348,664	3,065,018	7,413,682
19	4,338,101	3,058,993	7,397,094
20	4,385,524	3,086,148	7,471,672
22	4,363,772	3,068,078	7,431,850

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1846:	£.	£.	£.
June - 23	4,355,463	3,072,473	7,427,936
24	4,373,006	3,077,548	7,450,554
25	4,386,508	3,064,158	7,450,666
26	4,387,949	3,065,643	7,453,592
27	4,416,710	3,097,073	7,513,783
29	4,370,040	3,064,028	7,434,068
30	4,376,994	3,046,393	7,423,387
July - 1	4,394,126	3,059,593	7,453,719
2	4,402,604	3,064,353	7,466,957
3	4,408,535	3,069,458	7,477,993
4	4,449,150	3,094,993	7,544,143
6	4,442,878	3,104,368	7,547,246
7	4,450,059	3,113,833	7,563,892
8	4,441,217	3,108,938	7,550,155
9	4,433,397	3,109,398	7,542,795
10	4,431,893	3,106,888	7,538,781
11	4,462,061	3,120,978	7,583,039
13	4,421,077	3,093,533	7,514,610
14	4,416,940	3,115,858	7,532,798
15	4,414,324	3,112,758	7,527,082
16	4,413,743	3,104,898	7,518,641
17	4,406,415	3,103,378	7,509,793
18	4,437,183	3,120,548	7,557,731
20	4,424,957	3,097,026	7,521,983
21	4,422,134	3,092,988	7,515,122
22	4,416,853	3,091,103	7,507,956
23	4,411,778	3,072,988	7,484,766
24	4,400,803	3,060,828	7,461,631
25	4,444,300	3,098,148	7,542,448
27	4,400,152	3,074,103	7,474,255
28	4,382,091	3,073,293	7,455,384
29	4,380,028	3,063,993	7,444,021
30	4,364,692	3,050,873	7,415,565
31	4,372,566	3,038,818	7,411,384
August - 1	4,396,778	3,076,493	7,473,271
3	4,365,302	3,058,828	7,424,130
4	4,354,284	3,079,723	7,434,007
5	4,342,094	3,074,983	7,417,077
6	4,336,457	3,049,593	7,386,050
7	4,323,812	3,034,683	7,358,495
8	4,344,971	3,050,258	7,395,229
10	4,306,578	3,028,013	7,334,591
11	4,303,047	3,041,558	7,344,605
12	4,306,626	3,049,463	7,356,089
13	4,299,084	3,035,758	7,334,842
14	4,295,543	3,037,468	7,333,011
15	4,322,538	3,050,028	7,372,566
17	4,290,458	3,027,728	7,318,186
18	4,304,095	3,046,633	7,350,728
19	4,312,660	3,044,693	7,357,353
20	4,328,347	3,043,613	7,371,960
21	4,351,643	3,046,578	7,398,221
22	4,390,297	3,094,233	7,484,530
24	4,365,203	3,070,358	7,435,561
25	4,377,109	3,084,048	7,461,157
26	4,377,423	3,084,328	7,461,751
27	4,376,364	3,077,043	7,453,407
28	4,378,064	3,073,693	7,451,757
29	4,430,716	3,121,883	7,552,599
31	4,403,421	3,105,868	7,509,289
September - 1	4,404,426	3,122,148	7,526,574
2	4,413,562	3,130,138	7,543,700
3	4,434,102	3,136,478	7,570,580
4	4,435,534	3,138,663	7,574,197
5	4,501,802	3,184,153	7,685,955
7	4,470,292	3,159,003	7,629,295
8	4,462,772	3,163,818	7,626,590
9	4,474,576	3,176,913	7,651,489
10	4,482,277	3,174,503	7,656,780
September - 11	4,482,332	3,163,953	7,646,285
12	4,541,137	3,207,123	7,748,260
14	4,515,859	3,193,983	7,709,842
15	4,520,425	3,215,518	7,735,943
16	4,527,725	3,225,388	7,753,113
17	4,557,091	3,236,753	7,793,844
18	4,566,929	3,265,883	7,832,812
19	4,629,445	3,321,253	7,950,698
21	4,592,686	3,299,148	7,891,834
22	4,601,747	3,297,463	7,899,210
23	4,627,656	3,276,183	7,903,839
24	4,637,899	3,278,973	7,916,872
25	4,653,081	3,275,521	7,928,602
26	4,711,890	3,296,113	8,008,003
28	4,692,404	3,271,508	7,963,912
29	4,704,522	3,285,988	7,990,510
30	4,724,816	3,269,498	7,994,314
October - 1	4,747,083	3,272,693	8,019,776
2	4,745,719	3,277,723	8,023,442
3	4,767,525	3,292,273	8,059,798
5	4,731,616	3,254,923	7,986,539
6	4,718,893	3,243,738	7,962,631
7	4,722,405	3,233,938	7,956,343
8	4,747,168	3,225,863	7,973,031
9	4,737,752	3,221,863	7,959,615
10	4,821,785	3,270,648	8,092,433
12	4,829,423	3,290,258	8,119,681
13	4,840,932	3,333,668	8,174,600
14	4,856,177	3,347,063	8,203,240
15	4,867,887	3,353,828	8,221,715
16	4,863,698	3,368,893	8,232,591
17	4,853,642	3,404,373	8,258,015
19	4,826,216	3,394,753	8,220,969
20	4,806,697	3,395,348	8,202,045
21	4,800,031	3,379,378	8,179,409
22	4,818,287	3,363,288	8,181,575
23	4,800,699	3,374,478	8,175,177
24	4,832,638	3,380,718	8,213,356
26	4,803,422	3,353,238	8,156,660
27	4,795,670	3,342,748	8,138,418
28	4,777,808	3,325,462	8,103,270
29	4,783,746	3,299,238	8,082,984
30	4,744,430	3,277,918	8,022,348
31	4,759,180	3,269,928	8,029,108
November - 2	4,716,191	3,244,223	7,960,414
3	4,700,774	3,215,438	7,916,212
4	4,697,763	3,191,333	7,889,096
5	4,683,954	3,175,193	7,859,147
6	4,658,760	3,157,778	7,816,538
7	4,688,003	3,186,228	7,874,231
9	4,660,619	3,192,758	7,853,377
10	4,652,685	3,222,183	7,874,868
11	4,663,562	3,215,983	7,879,545
12	4,659,749	3,200,973	7,860,722
13	4,634,543	3,202,493	7,837,036
14	4,661,146	3,231,678	7,892,824
16	4,620,637	3,213,818	7,834,455
17	4,608,815	3,204,003	7,812,818
18	4,606,247	3,191,093	7,797,340
19	4,617,692	3,183,863	7,801,555
20	4,590,863	3,179,816	7,770,679
21	4,631,257	3,219,463	7,850,720
23	4,605,649	3,201,783	7,807,432
24	4,587,318	3,203,498	7,790,816
25	4,581,589	3,201,723	7,783,312
26	4,580,372	3,195,156	7,775,525
27	4,566,474	3,190,753	7,757,227
28	4,602,798	3,203,728	7,806,526
30	4,552,903	3,177,273	7,730,176

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1846:	£.	£.	£.
December - 1	4,535,967	3,174,548	7,709,615
2	4,521,080	3,150,668	7,671,748
3	4,527,741	3,137,168	7,664,909
4	4,508,763	3,128,498	7,637,261
5	4,542,780	3,147,913	7,690,693
7	4,514,466	3,128,488	7,642,954
8	4,509,377	3,144,973	7,654,350
9	4,517,939	3,127,423	7,645,362
10	4,520,189	3,130,723	7,650,912
11	4,501,692	3,123,828	7,625,520
12	4,517,489	3,142,563	7,660,052
14	4,489,244	3,141,738	7,630,982
15	4,494,548	3,134,978	7,629,526
16	4,483,031	3,131,073	7,614,104
17	4,507,984	3,127,368	7,635,352
18	4,497,213	3,122,733	7,619,946
19	4,527,645	3,138,198	7,665,843
21	4,488,995	3,134,803	7,623,798
22	4,511,714	3,142,093	7,653,807
23	4,516,356	3,134,233	7,650,589
24	4,558,054	3,159,698	7,717,752
25			
26	4,552,754	3,147,313	7,700,067
28	4,527,701	3,137,943	7,665,644
29	4,540,846	3,143,888	7,684,734
30	4,551,864	3,139,613	7,691,477
31	4,559,962	3,122,243	7,682,205
1847:			
January - 1	4,563,426	3,111,973	7,675,399
2	4,631,909	3,177,398	7,809,307
4	4,630,912	3,189,078	7,819,990
5	4,662,668	3,221,713	7,884,381
6	4,693,564	3,239,828	7,933,392
7	4,704,373	3,249,183	7,953,556
8	4,706,636	3,270,018	7,976,654
9	4,740,321	3,315,908	8,056,229
11	4,730,379	3,311,043	8,041,422
12	4,723,048	3,326,273	8,049,321
13	4,734,852	3,323,593	8,058,445
14	4,743,306	3,315,103	8,058,409
15	4,731,189	3,312,523	8,043,712
16	4,744,167	3,304,163	8,048,330
18	4,704,432	3,292,098	7,996,530
19	4,697,462	3,301,128	7,998,590
20	4,690,254	3,286,798	7,977,052
21	4,677,624	3,272,878	7,950,502
22	4,653,692	3,260,813	7,914,505
23	4,652,768	3,276,068	7,928,836
25	4,599,992	3,256,643	7,856,635
26	4,608,926	3,242,153	7,851,079
27	4,601,938	3,225,808	7,827,746
28	4,594,235	3,213,393	7,807,628
29	4,581,640	3,201,943	7,783,583
30	4,601,980	3,221,788	7,823,768
February - 1	4,575,675	3,203,233	7,778,908
2	4,583,535	3,214,383	7,797,918
3	4,575,291	3,209,518	7,784,809
4	4,597,311	3,209,433	7,806,744
5	4,586,173	3,208,733	7,794,906
6	4,617,280	3,236,968	7,854,248
8	4,563,387	3,202,428	7,765,815
9	4,559,492	3,212,798	7,772,290
10	4,578,072	3,218,073	7,796,145
11	4,571,886	3,205,123	7,777,009
12	4,546,444	3,191,718	7,738,162
13	4,560,148	3,230,473	7,790,621
15	4,513,585	3,201,173	7,714,758
16	4,514,507	3,217,223	7,731,710
17	4,517,682	3,203,828	7,721,510

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1847:	£.	£.	£.
February - 18	4,535,911	3,196,623	7,732,534
19	4,532,812	3,179,098	7,711,910
20	4,550,011	3,195,303	7,745,314
22	4,503,286	3,165,578	7,668,864
23	4,503,310	3,166,928	7,670,238
24	4,509,200	3,158,063	7,667,263
25	4,522,629	3,167,103	7,689,732
26	4,525,035	3,162,378	7,687,413
27	4,540,599	3,199,623	7,740,222
March - 1	4,503,222	3,192,753	7,695,975
2	4,508,893	3,201,058	7,709,951
3	4,521,008	3,195,023	7,716,031
4	4,515,055	3,199,198	7,714,253
5	4,507,555	3,204,998	7,712,553
6	4,548,322	3,245,423	7,793,745
8	4,515,428	3,233,108	7,748,536
9	4,506,123	3,245,903	7,752,026
10	4,509,067	3,227,253	7,736,320
11	4,513,995	3,224,373	7,738,368
12	4,514,239	3,217,243	7,731,482
13	4,529,222	3,264,193	7,793,415
15	4,502,892	3,258,948	7,761,840
16	4,511,185	3,261,668	7,772,853
17	4,519,203	3,253,693	7,772,896
18	4,532,314	3,248,193	7,780,507
19	4,543,078	3,249,583	7,792,661
20	4,577,475	3,286,793	7,864,268
22	4,562,007	3,274,643	7,836,650
23	4,582,821	3,281,368	7,864,189
24	Humiliation Day.		
25	4,623,845	3,290,718	7,914,563
26	4,618,186	3,291,788	7,909,974
27	4,653,478	3,327,453	7,980,931
29	4,634,686	3,324,088	7,958,774
30	4,658,656	3,324,923	7,983,579
31	4,676,330	3,328,133	8,004,463
April - 1	4,731,612	3,342,868	8,074,480
2	Good Friday.		
3	4,789,555	3,370,788	8,160,343
5	4,757,126	3,372,963	8,130,089
6	4,776,398	3,370,718	8,147,116
7	4,780,135	3,366,753	8,146,888
8	4,787,425	3,362,688	8,150,113
9	4,771,266	3,339,363	8,110,629
10	4,792,840	3,336,668	8,129,508
12	4,754,619	3,312,728	8,067,347
13	4,735,001	3,313,803	8,048,804
14	4,719,243	3,285,828	8,005,071
15	4,719,054	3,273,408	7,992,462
16	4,692,675	3,250,243	7,942,918
17	4,714,511	3,255,943	7,970,454
19	4,684,374	3,230,218	7,914,592
20	4,691,244	3,227,273	7,918,517
21	4,686,187	3,221,533	7,907,720
22	4,695,861	3,218,483	7,914,344
23	4,679,691	3,222,903	7,902,594
24	4,705,013	3,261,043	7,966,056
26	4,681,131	3,249,228	7,930,359
27	4,687,464	3,251,613	7,939,077
28	4,680,951	3,251,553	7,932,504
29	4,689,611	3,253,163	7,942,774
30	4,680,885	3,250,893	7,931,778
May - 1	4,744,811	3,309,033	8,053,844
3	4,690,861	3,297,158	7,988,019
4	4,687,756	3,301,398	7,989,154
5	4,674,614	3,290,078	7,964,692
6	4,664,710	3,277,158	7,941,868
7	4,624,657	3,260,805	7,885,462
8	4,643,877	3,288,144	7,932,021
10	4,598,428	3,254,678	7,853,106

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1847:	£.	£.	£.
May 11	4,583,051	3,266,978	7,850,029
12	4,594,453	3,265,903	7,860,356
13	4,604,763	3,264,483	7,869,246
14	4,572,678	3,251,678	7,824,356
15	4,596,174	3,263,108	7,859,282
17	4,541,738	3,230,918	7,772,656
18	4,514,804	3,219,543	7,734,347
19	4,498,221	3,205,333	7,703,554
20	4,497,742	3,189,138	7,686,880
21	4,477,324	3,160,163	7,637,487
22	4,496,966	3,197,938	7,694,904
24	4,459,827	3,165,848	7,625,675
25	4,466,005	3,162,378	7,628,383
26	4,463,253	3,141,573	7,604,826
27	4,456,556	3,134,773	7,591,329
28	4,437,677	3,126,623	7,564,300
29	4,468,952	3,148,583	7,617,535
31	4,419,778	3,103,678	7,523,456
June 1	4,429,561	3,101,548	7,531,109
2	4,406,951	3,097,533	7,504,484
3	4,399,844	3,077,843	7,477,687
4	4,381,946	3,074,603	7,456,549
5	4,420,713	3,108,633	7,529,346
7	4,375,239	3,091,143	7,466,382
8	4,368,737	3,104,258	7,472,995
9	4,365,589	3,090,093	7,455,682
10	4,350,204	3,081,528	7,431,732
11	4,334,362	3,064,218	7,398,580
12	4,360,034	3,077,638	7,437,672
14	4,315,859	3,042,053	7,357,912
15	4,303,443	3,028,108	7,331,551
16	4,292,321	3,014,383	7,306,704
17	4,310,438	3,018,238	7,328,676
18	4,312,314	3,014,023	7,326,337
19	4,354,724	3,053,008	7,407,732
21	4,324,574	3,020,278	7,344,852
22	4,320,288	3,025,248	7,345,536
23	4,315,999	3,024,093	7,340,092
24	4,319,858	3,034,283	7,354,141
25	4,325,857	3,021,113	7,346,970
26	4,370,171	3,047,888	7,418,059
28	4,316,214	3,028,658	7,344,872
29	4,318,631	3,021,258	7,339,889
30	4,326,491	3,005,673	7,332,164
July 1	4,339,516	3,013,098	7,352,614
2	4,354,155	3,032,538	7,386,693
3	4,395,951	3,074,483	7,470,434
5	4,369,952	3,059,963	7,429,915
6	4,376,919	3,063,438	7,440,357
7	4,367,582	3,058,263	7,425,845
8	4,377,535	3,047,623	7,425,158
9	4,355,783	3,032,428	7,388,211
10	4,373,283	3,051,823	7,425,106
12	4,323,471	3,025,123	7,348,594
13	4,309,623	3,044,638	7,354,261
14	4,305,402	3,026,643	7,332,045
15	4,309,318	3,017,133	7,326,451
16	4,306,309	3,006,443	7,312,752
17	4,336,972	3,035,008	7,371,980
19	4,292,763	3,017,073	7,309,836
20	4,296,640	3,027,078	7,323,718
21	4,286,582	3,008,318	7,294,898
22	4,285,239	3,001,083	7,286,322
23	4,273,921	2,998,788	7,272,709
24	4,309,266	3,020,848	7,330,114
26	4,267,267	2,988,843	7,256,110
27	4,266,690	2,995,978	7,262,668
28	4,257,199	2,969,538	7,226,737
29	4,245,791	2,956,463	7,202,254
30	4,247,426	2,943,928	7,191,354
31	4,289,876	2,992,653	7,282,529
August 2	4,255,656	2,988,413	7,244,069
3	4,259,953	3,005,833	7,265,786
4	4,229,683	2,984,713	7,214,398
5	4,236,784	2,987,988	7,224,772
6	4,241,992	2,982,853	7,224,845
7	4,283,368	3,015,518	7,298,886
9	4,247,380	2,985,148	7,232,528
10	4,229,674	2,987,413	7,217,087
11	4,223,579	2,984,108	7,207,687
12	4,225,035	2,975,818	7,200,853
13	4,212,954	2,976,828	7,189,782
14	4,233,723	2,987,758	7,221,481
16	4,186,516	2,960,763	7,147,279
17	4,190,559	2,968,448	7,159,007
18	4,180,317	2,947,403	7,127,720
19	4,181,288	2,940,118	7,121,406
20	4,173,816	2,928,943	7,102,759
21	4,201,419	2,945,178	7,146,597
23	4,159,949	2,915,673	7,075,622
24	4,161,523	2,929,948	7,091,471
25	4,154,922	2,912,813	7,067,735
26	4,151,756	2,918,008	7,069,764
27	4,163,969	2,928,058	7,092,027
28	4,194,258	2,962,008	7,156,266
30	4,158,481	2,943,218	7,101,699
31	4,161,465	2,953,943	7,115,408
September 1	4,162,379	2,940,608	7,102,987
2	4,163,944	2,945,733	7,109,677
3	4,176,027	2,955,248	7,131,275
4	4,227,397	2,995,618	7,223,015
6	4,190,623	2,981,988	7,172,611
7	4,183,627	2,987,198	7,170,825
8	4,185,924	2,976,863	7,162,787
9	4,187,196	2,978,918	7,166,114
10	4,180,902	2,978,483	7,159,385
11	4,224,085	3,009,793	7,233,878
13	4,181,810	2,993,708	7,175,518
14	4,184,323	3,031,063	7,215,386
15	4,190,340	3,031,683	7,222,023
16	4,201,082	3,030,498	7,231,580
17	4,206,758	3,027,208	7,233,966
18	4,265,718	3,064,393	7,330,111
20	4,243,846	3,055,098	7,298,944
21	4,246,892	3,067,936	7,314,825
22	4,246,202	3,050,793	7,296,995
23	4,266,894	3,061,343	7,328,237
24	4,279,809	3,075,368	7,355,177
25	4,335,055	3,126,068	7,461,123
27	4,327,584	3,114,658	7,442,242
28	4,345,338	3,136,593	7,481,931
29	4,379,194	3,160,008	7,539,202
30	4,419,486	3,162,573	7,582,059
October 1	4,439,385	3,161,963	7,601,348
2	4,502,815	3,199,588	7,702,403
4	4,445,848	3,179,073	7,624,921
5	4,454,994	3,172,923	7,627,917
6	4,441,519	3,158,528	7,600,047
7	4,455,274	3,151,543	7,606,817
8	4,467,279	3,157,223	7,624,502
9	4,524,994	3,205,818	7,730,812
11	4,508,843	3,206,438	7,715,281
12	4,518,813	3,224,893	7,743,706
13	4,533,170	3,225,233	7,758,403
14	4,535,848	3,218,903	7,754,751
15	4,508,427	3,216,678	7,725,105
16	4,524,611	3,240,543	7,765,154
18	4,455,996	3,193,854	7,649,850
19	4,438,760	3,208,248	7,647,008
20	4,423,630	3,198,583	7,622,213
21	4,404,116	3,183,468	7,587,584
22	4,374,904	3,148,953	7,523,857

(*continued*)

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1847:	£.	£.	£.
October - 23	4,375,194	3,138,393	7,513,587
25	4,293,526	3,115,188	7,408,714
26	4,266,348	3,087,338	7,353,686
27	4,239,707	3,058,183	7,297,890
28	4,231,920	3,041,083	7,273,003
29	4,188,884	3,019,773	7,208,657
30	4,195,762	3,005,398	7,201,160
November 1	4,116,500	2,960,068	7,076,568
2	4,097,054	2,942,273	7,039,327
3	4,047,745	2,882,103	6,929,848
4	4,017,867	2,848,798	6,866,674
5	3,967,362	2,829,663	6,806,025
6	3,979,133	2,821,203	6,800,336
8	3,899,215	2,773,048	6,672,263
9	3,881,635	2,780,288	6,661,923
10	3,865,308	2,748,743	6,614,051
11	3,837,082	2,718,743	6,555,825
12	3,801,094	2,678,505	6,479,602
13	3,803,100	2,678,498	6,481,598
15	3,756,716	2,642,308	6,399,024
16	3,732,745	2,625,058	6,357,803
17	3,718,342	2,599,073	6,317,415
18	3,705,245	2,576,433	6,281,678
19	3,678,934	2,552,873	6,231,807
20	3,703,422	2,572,418	6,275,840
22	3,657,684	2,556,593	6,214,277
23	3,651,584	2,553,423	6,205,007
24	3,641,377	2,536,958	6,178,335
25	3,624,116	2,512,413	6,136,529
26	3,612,204	2,499,603	6,111,807
27	3,625,901	2,504,993	6,130,894
29	3,584,192	2,489,308	6,073,500
30	3,575,656	2,479,933	6,055,589
December - 1	3,572,882	2,456,588	6,029,470
2	3,572,184	2,440,573	6,012,757
3	3,546,530	2,421,578	5,968,108
4	3,577,014	2,443,273	6,020,287
6	3,532,373	2,427,638	5,960,011
7	3,520,410	2,419,273	5,939,683
8	3,530,417	2,409,028	5,939,445
9	3,521,431	2,393,578	5,915,009
10	3,510,280	2,393,403	5,903,683
11	3,533,650	2,410,098	5,943,748
13	3,502,444	2,390,503	5,892,947
14	3,499,450	2,403,218	5,902,668
15	3,508,893	2,397,788	5,906,681
16	3,512,504	2,393,623	5,906,127
17	3,502,026	2,389,508	5,891,534
18	3,515,705	2,403,968	5,919,673
20	3,496,711	2,396,973	5,893,684
21	3,504,595	2,409,453	5,914,048
22	3,506,513	2,412,903	5,919,416
23	3,530,898	2,410,963	5,941,861
24	3,566,426	2,440,003	6,006,429
25			
27	3,520,796	2,418,308	5,939,104
28	3,533,899	2,434,808	5,968,707
29	3,541,268	2,420,113	5,961,381
30	3,552,842	2,408,913	5,961,755
31	3,562,463	2,388,933	5,951,396
1848:			
January - 1	3,620,950	2,437,918	6,067,868
3	3,631,948	2,456,248	6,088,196
4	3,656,521	2,484,408	6,140,929
5	3,680,360	2,487,043	6,167,403
6	3,717,855	2,493,998	6,211,853
7	3,707,354	2,496,848	6,204,202
8	3,739,671	2,524,198	6,263,869
10	3,736,990	2,528,483	6,264,473

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1848:	£.	£.	£.
January - 11	3,763,086	2,560,868	6,323,954
12	3,787,903	2,565,683	6,353,586
13	3,787,752	2,559,938	6,347,690
14	3,796,937	2,563,833	6,360,770
15	3,803,407	2,579,253	6,382,660
17	3,771,240	2,559,193	6,330,433
18	3,777,815	2,571,878	6,349,693
19	3,776,893	2,568,783	6,345,676
20	3,788,658	2,558,973	6,347,631
21	3,774,695	2,544,228	6,318,924
22	3,781,905	2,553,963	6,335,868
24	3,736,477	2,533,363	6,269,840
25	3,743,083	2,542,792	6,285,880
26	3,732,575	2,536,523	6,269,098
27	3,743,751	2,526,753	6,270,504
28	3,725,460	2,513,408	6,238,868
29	3,731,458	2,527,343	6,258,801
31	3,694,137	2,512,133	6,206,270
February - 1	3,716,548	2,526,813	6,243,361
2	3,723,287	2,528,583	6,251,870
3	3,709,784	2,519,928	6,229,712
4	3,687,587	2,504,708	6,192,295
5	3,706,011	2,527,738	6,233,749
7	3,661,486	2,510,273	6,171,759
8	3,674,683	2,529,203	6,203,886
9	3,663,275	2,514,433	6,177,708
10	3,674,699	2,512,478	6,187,177
11	3,645,512	2,508,343	6,153,855
12	3,663,521	2,528,173	6,191,694
14	3,623,176	2,509,978	6,133,154
15	3,618,085	2,522,203	6,140,288
16	3,616,457	2,514,573	6,131,030
17	3,616,224	2,520,633	6,136,857
18	3,614,681	2,506,118	6,520,799
19	3,619,422	2,525,863	6,145,285
21	3,556,048	2,499,063	6,055,111
22	3,560,461	2,497,898	6,058,359
23	3,563,989	2,485,668	6,049,657
24	3,563,338	2,491,578	6,054,916
25	3,566,572	2,489,923	6,056,495
26	3,576,870	2,503,663	6,080,533
28	3,540,955	2,503,653	6,044,608
29	3,555,027	2,511,908	6,066,935
March - 1	3,562,926	2,520,138	6,083,064
2	3,573,308	2,525,633	6,098,941
3	3,568,774	2,527,183	6,095,957
4	3,601,799	2,565,508	6,167,307
6	3,574,319	2,557,843	6,132,162
7	3,592,363	2,565,423	6,157,786
8	3,592,325	2,569,133	6,161,458
9	3,589,457	2,571,938	6,161,395
10	3,579,247	2,558,293	6,137,540
11	3,608,870	2,579,793	6,188,663
13	3,571,995	2,563,493	6,135,488
14	3,592,438	2,578,088	6,170,526
15	3,584,650	2,570,563	6,155,213
16	3,607,198	2,574,803	6,182,001
17	3,607,040	2,572,913	6,179,953
18	3,635,088	2,598,353	6,233,441
20	3,600,728	2,592,599	6,193,327
21	3,613,709	2,599,223	6,212,932
22	3,638,897	2,612,443	6,251,340
23	3,654,004	2,622,573	6,276,577
24	3,663,440	2,622,288	6,285,728
25	3,719,585	2,672,643	6,392,228
27	3,706,287	2,657,443	6,363,730
28	3,722,107	2,662,718	6,384,825
29	3,724,640	2,677,983	6,402,623
30	3,751,213	2,687,293	6,438,506
31	3,755,385	2,698,148	6,453,553

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1848:	£.	£.	£.
April - 1	3,814,240	2,731,528	6,545,768
3	3,807,293	2,738,958	6,546,251
4	3,841,434	2,763,313	6,604,747
5	3,854,113	2,772,658	6,626,771
6	3,882,928	2,770,843	6,653,771
7	3,884,898	2,762,623	6,647,521
8	3,902,328	2,789,728	6,692,056
10	3,883,148	2,776,483	6,659,631
11	3,898,859	2,802,523	6,701,382
12	3,906,674	2,788,053	6,694,727
13	3,905,067	2,783,548	6,688,615
14	3,900,074	2,790,393	6,690,467
15	3,906,730	2,807,878	6,714,608
17	3,874,948	2,788,028	6,662,976
18	3,883,815	2,802,073	6,685,888
19	3,888,248	2,805,433	6,693,681
20	3,925,522	2,814,178	6,739,700
21	Good Friday.		
22	3,943,123	2,853,903	6,797,026
24	3,889,372	2,834,343	6,723,715
25	3,910,291	2,844,403	6,754,694
26	3,921,706	2,837,068	6,758,774
27	3,926,224	2,828,283	6,754,507
28	3,915,759	2,824,953	6,740,712
29	3,955,857	2,839,938	6,795,795
May - 1	3,905,308	2,830,803	6,736,111
2	3,893,791	2,840,338	6,734,129
3	3,861,667	2,816,863	6,678,530
4	3,865,496	2,805,858	6,671,354
5	3,867,139	2,796,743	6,663,882
6	3,885,199	2,799,298	6,684,497
8	3,846,501	2,769,998	6,616,499
9	3,832,464	2,776,308	6,608,772
10	3,824,672	2,766,238	6,590,910
11	3,818,455	2,755,813	6,574,268
12	3,816,991	2,747,788	6,574,779
13	3,845,572	2,771,618	6,617,190
15	3,792,284	2,751,593	6,543,877
16	3,778,673	2,746,818	6,525,491
17	3,757,091	2,723,773	6,480,864
18	3,746,349	2,704,483	6,450,832
19	3,723,523	2,686,893	6,410,416
20	3,741,824	2,688,943	6,430,767
22	3,708,043	2,671,848	6,379,891
23	3,696,750	2,662,258	6,359,008
24	3,670,998	2,642,468	6,313,466
25	3,661,213	2,625,478	6,286,691
26	3,649,266	2,606,423	6,255,689
27	3,659,382	2,612,368	6,271,750
29	3,616,320	2,584,653	6,200,973
30	3,624,821	2,575,833	6,200,654
31	3,628,824	2,573,638	6,202,462
June - 1	3,636,468	2,581,028	6,217,496
2	3,617,414	2,575,128	6,192,542
3	3,672,502	2,606,938	6,279,440
5	3,625,387	2,590,723	6,216,110
6	3,630,471	2,604,888	6,235,359
7	3,627,960	2,586,678	6,214,638
8	3,612,652	2,582,828	6,195,480
9	3,612,991	2,576,708	6,189,699
10	3,633,037	2,599,013	6,232,050
12	3,593,630	2,588,143	6,181,773
13	3,587,097	2,600,463	6,187,560
14	3,585,710	2,589,693	6,175,403
15	3,575,053	2,580,668	6,155,721
16	3,574,032	2,568,873	6,142,905
17	3,587,464	2,581,018	6,168,482
19	3,560,473	2,566,413	6,126,886
20	3,560,085	2,557,078	6,117,163
21	3,549,533	2,555,208	6,104,741
June - 22	3,552,222	2,548,193	6,100,415
23	3,560,618	2,530,673	6,091,291
24	3,589,761	2,548,178	6,137,939
26	3,560,796	2,523,953	6,084,749
27	3,565,261	2,524,408	6,089,669
28	3,552,149	2,521,718	6,073,867
29	3,553,853	2,507,438	6,061,291
30	3,539,885	2,488,928	6,028,813
July - 1	3,590,443	2,524,747	6,115,190
3	3,580,616	2,516,593	6,097,209
4	3,600,690	2,520,733	6,121,423
5	3,609,141	2,527,033	6,136,174
6	3,609,018	2,519,763	6,128,781
7	3,599,833	2,515,278	6,115,111
8	3,619,650	2,526,793	6,146,443
10	3,562,620	2,509,423	6,072,043
11	3,572,041	2,522,693	6,094,734
12	3,555,944	2,512,953	6,068,897
13	3,559,632	2,506,643	6,066,275
14	3,545,235	2,507,648	6,052,883
15	3,586,258	2,518,168	6,104,426
17	3,555,950	2,509,743	6,065,693
18	3,551,349	2,509,008	6,060,357
19	3,573,111	2,511,818	6,084,929
20	3,561,886	2,498,493	6,060,379
21	3,538,650	2,482,228	6,020,878
22	3,535,574	2,509,563	6,045,137
24	3,512,760	2,480,103	5,992,863
25	3,505,398	2,483,388	5,988,786
26	3,500,266	2,462,688	5,962,954
27	3,507,953	2,459,263	5,967,216
28	3,513,330	2,458,308	5,971,638
29	3,532,843	2,470,353	6,003,196
31	3,502,123	2,457,388	5,959,511
August - 1	3,515,259	2,462,438	5,977,697
2	3,516,900	2,460,023	5,976,923
3	3,516,383	2,455,188	5,971,571
4	3,503,019	2,452,548	5,955,567
5	3,543,547	2,477,833	6,021,380
7	3,514,139	2,460,033	5,974,172
8	3,511,107	2,479,438	5,990,545
9	3,502,155	2,465,188	5,967,343
10	3,498,236	2,460,928	5,959,164
11	3,481,651	2,454,003	5,935,654
12	3,511,670	2,480,958	5,992,628
14	3,467,321	2,455,823	5,923,144
15	3,466,374	2,457,153	5,923,527
16	3,459,265	2,449,633	5,908,898
17	3,469,998	2,455,108	5,925,106
18	3,471,189	2,447,953	5,919,142
19	3,500,676	2,475,503	5,976,179
21	3,464,022	2,457,533	5,921,555
22	3,455,707	2,461,033	5,916,740
23	3,456,191	2,448,738	5,904,929
24	3,453,781	2,451,278	5,905,059
25	3,459,536	2,444,663	5,904,199
26	3,494,220	2,470,893	5,965,113
28	3,471,415	2,456,298	5,927,713
29	3,473,922	2,460,983	5,934,905
30	3,466,843	2,460,618	5,927,461
31	3,468,680	2,454,798	5,923,478
September 1	3,471,194	2,466,083	5,937,277
2	3,521,343	2,494,688	6,016,031
4	3,501,965	2,492,003	5,993,968
5	3,501,488	2,506,983	6,008,471
6	3,505,308	2,496,603	6,001,911
7	3,511,494	2,504,433	6,015,927
8	3,514,796	2,504,048	6,018,844
9	3,562,620	2,548,878	6,111,498

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1848:	£.	£.	£.
September 11	3,540,224	2,542,078	6,082,302
12	3,548,224	2,566,678	6,114,902
13	3,552,589	2,560,158	6,112,747
14	3,567,027	2,566,763	6,133,790
15	3,571,545	2,571,463	6,143,008
16	3,606,402	2,616,868	6,223,270
18	3,588,404	2,608,723	6,197,127
19	3,605,435	2,631,998	6,237,433
20	3,608,713	2,626,543	6,235,256
21	3,618,314	2,621,843	6,240,157
22	3,624,141	2,627,123	6,251,264
23	3,676,097	2,672,783	6,348,880
25	3,665,863	2,667,933	6,333,796
26	3,676,523	2,684,133	6,360,656
27	3,684,466	2,692,108	6,376,574
28	3,707,662	2,701,353	6,409,015
29	3,730,359	2,703,363	6,433,722
30	3,791,072	2,734,863	6,525,935
October - 2	3,798,624	2,744,183	6,542,807
3	3,814,842	2,752,653	6,567,495
4	3,807,375	2,748,748	6,556,123
5	3,830,427	2,766,343	6,596,770
6	3,840,943	2,766,228	6,607,171
7	3,905,828	2,815,643	6,721,471
9	3,886,875	2,797,108	6,683,983
10	3,910,736	2,846,273	6,757,009
11	3,943,272	2,860,518	6,803,790
12	3,964,135	2,864,153	6,828,288
13	3,951,278	2,868,318	6,819,596
14	3,975,404	2,892,248	6,867,652
16	3,934,164	2,872,023	6,806,187
17	3,948,030	2,878,348	6,826,378
18	3,942,790	2,878,373	6,821,163
19	3,951,190	2,877,358	6,828,548
20	3,946,000	2,884,223	6,830,223
21	3,961,369	2,894,773	6,856,142
23	3,928,306	2,868,973	6,797,279
24	3,929,709	2,876,828	6,806,537
25	3,914,945	2,856,383	6,771,328
26	3,918,638	2,848,768	6,767,406
27	3,898,798	2,841,988	6,740,786
28	3,918,834	2,861,268	6,780,102
30	3,883,568	2,835,023	6,718,591
31	3,879,562	2,828,263	6,707,825
November - 1	3,870,221	2,821,933	6,692,154
2	3,865,652	2,809,048	6,674,700
3	3,852,609	2,804,758	6,657,367
4	3,872,505	2,823,983	6,696,488
6	3,839,142	2,800,618	6,639,760
7	3,844,565	2,810,028	6,654,593
8	3,844,603	2,800,378	6,644,981
9	3,811,869	2,791,688	6,603,557
10	3,786,393	2,785,398	6,571,791
11	3,812,653	2,792,688	6,605,341
13	3,757,412	2,760,123	6,517,535
14	3,744,994	2,767,478	6,512,472
15	3,731,513	2,772,503	6,504,016
16	3,728,310	2,756,868	6,485,178
17	3,711,925	2,737,513	6,449,438
18	3,720,897	2,746,248	6,467,145
20	3,673,795	2,709,668	6,383,463
21	3,667,335	2,724,363	6,391,698
22	3,654,746	2,714,823	6,369,569
23	3,657,920	2,697,708	6,355,628
24	3,639,918	2,692,118	6,332,036
25	3,651,865	2,693,688	6,345,553
27	3,617,603	2,665,973	6,283,576
28	3,608,999	2,669,858	6,278,857
29	3,600,311	2,653,742	6,254,053
30	3,599,251	2,636,278	6,235,529

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1848:	£.	£.	£.
December - 1	3,583,082	2,634,903	6,217,985
2	3,602,082	2,637,848	6,239,930
4	3,551,810	2,608,828	6,160,638
5	3,555,310	2,619,098	6,174,408
6	3,557,338	2,602,473	6,159,811
7	3,544,745	2,603,423	6,148,168
8	3,535,666	2,594,698	6,130,364
9	3,544,243	2,604,438	6,148,681
11	3,509,857	2,585,043	6,094,900
12	3,513,705	2,594,703	6,108,408
13	3,508,531	2,581,223	6,089,754
14	3,497,702	2,568,963	6,066,665
15	3,471,379	2,550,188	6,021,567
16	3,494,549	2,568,928	6,063,477
18	3,471,683	2,555,773	6,027,456
19	3,478,020	2,560,533	6,038,553
20	3,480,346	2,556,673	6,037,019
21	3,488,867	2,563,203	6,052,070
22	3,493,032	2,556,083	6,049,115
23	3,519,088	2,565,918	6,085,006
25			
26	3,481,036	2,540,313	6,021,349
27	3,479,249	2,528,823	6,008,072
28	3,482,507	2,521,163	6,003,670
29	3,493,251	2,518,013	6,011,264
30	3,511,363	2,515,703	6,027,066
1849:			
January - 1	3,516,472	2,514,168	6,030,640
2	3,555,957	2,557,873	6,113,930
3	3,565,836	2,561,763	9,127,599
4	3,579,452	2,570,628	6,150,080
5	3,590,600	2,580,088	6,170,688
6	3,643,441	2,614,768	6,258,509
8	3,623,457	2,610,583	6,234,040
9	3,664,111	2,655,248	6,319,359
10	3,677,037	2,656,473	6,333,510
11	3,690,613	2,658,022	6,348,635
12	3,695,997	2,650,903	6,346,900
13	3,700,500	2,654,403	6,354,903
15	3,674,384	2,650,718	6,325,102
16	3,682,289	2,661,053	6,343,342
17	3,686,660	2,657,558	6,344,218
18	3,695,124	2,650,458	6,345,582
19	3,694,179	2,635,588	6,329,767
20	3,698,158	2,650,643	6,348,801
22	3,659,126	2,628,123	6,287,249
23	3,676,473	2,626,573	6,303,046
24	3,664,123	2,621,988	6,286,111
25	3,672,340	2,619,543	6,291,883
26	3,671,758	2,613,723	6,285,481
27	3,667,031	2,623,458	6,290,489
29	3,630,214	2,606,573	6,236,787
30	3,631,151	2,607,088	6,238,239
31	3,628,791	2,606,128	6,234,919
February - 1	3,640,909	2,608,718	6,249,627
2	3,624,445	2,608,468	6,232,913
3	3,646,834	2,619,678	6,266,512
5	3,615,100	2,600,618	6,215,718
6	3,625,475	2,605,038	6,230,513
7	3,615,803	2,585,998	6,201,801
8	3,595,470	2,581,213	6,176,683
9	3,582,095	2,573,678	6,155,773
10	3,577,622	2,596,623	6,174,245
12	3,540,914	2,586,618	6,127,532
13	3,552,169	2,603,378	6,155,547
14	3,548,393	2,599,383	6,147,776
15	3,546,868	2,601,043	6,147,911
16	3,534,669	2,591,838	6,126,507
17	3,546,049	2,603,278	6,149,327
19	3,502,161	2,578,083	6,080,244

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.	DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1849:	£.	£.	£.	1849:	£.	£.	£
February - 20	3,499,019	2,571,468	6,070,487	May - - 11	3,684,243	2,795,093	6,479,336
21	3,481,291	2,569,703	6,050,994	12	3,709,963	2,830,008	6,539,971
22	3,487,495	2,560,223	6,047,718	14	3,680,071	2,813,723	6,493,794
23	3,485,854	2,557,888	6,043,742	15	3,672,666	2,808,893	6,481,559
24	3,478,375	2,565,173	6,043,548	16	3,650,166	2,797,778	6,447,944
26	3,446,748	2,554,508	6,001,256	17	3,652,275	2,786,148	6,438,423
27	3,461,762	2,558,003	6,019,765	18	3,643,134	2,761,693	6,404,827
28	3,442,589	2,546,098	5,988,687	19	3,649,089	2,777,953	6,427,042
				21	3,602,836	2,746,263	6,349,099
March - 1	3,461,388	2,567,718	6,029,106	22	3,593,563	2,726,723	6,320,286
2	3,464,762	2,578,893	6,043,655	23	3,577,420	2,707,963	6,285,383
3	3,485,578	2,581,203	6,066,781	24	3,574,458	2,703,968	6,278,426
5	3,471,552	2,569,208	6,040,760	25	3,575,120	2,683,568	6,258,688
6	3,478,556	2,590,246	6,068,802	26	3,583,036	2,711,133	6,294,169
7	3,466,154	2,581,518	6,047,672	28	3,557,807	2,684,443	6,242,250
8	3,451,994	2,589,988	6,041,982	29	3,564,731	2,673,333	6,238,064
9	3,446,522	2,576,973	6,023,495	30	3,557,373	2,673,543	6,230,916
10	3,457,372	2,597,408	6,054,780	31	3,553,056	2,665,818	6,218,874
12	3,436,055	2,584,623	6,020,678				
13	3,449,999	2,595,983	6,045,982	June - - 1	3,559,127	2,663,938	6,223,065
14	3,454,319	2,592,203	6,046,622	2	3,586,672	2,685,943	6,272,615
15	3,466,203	2,590,508	6,056,711	4	3,557,227	2,660,428	6,217,655
16	3,470,740	2,576,973	6,047,713	5	3,560,310	2,656,473	6,216,783
17	3,480,170	2,610,273	6,090,443	6	3,539,167	2,650,313	6,189,480
19	3,457,998	2,599,243	6,057,241	7	3,528,424	2,641,853	6,170,277
20	3,475,720	2,617,838	6,093,558	8	3,516,348	2,630,173	6,146,521
21	3,472,304	2,617,483	6,089,787	9	3,515,616	2,644,673	6,160,289
22	3,483,548	2,623,083	6,106,631	11	3,487,567	2,624,438	6,112,005
23	3,496,268	2,623,308	6,119,576	12	3,493,140	2,627,708	6,120,848
24	3,533,481	2,658,278	6,191,759	13	3,484,190	2,620,968	6,105,158
26	3,530,612	2,666,728	6,197,340	14	3,471,031	2,605,458	6,076,489
27	3,560,181	2,676,288	6,236,469	15	3,459,375	2,584,723	6,044,098
28	3,560,197	2,684,398	6,244,595	16	3,474,326	2,597,998	6,072,324
29	3,570,842	2,690,283	6,261,125	18	3,446,445	2,583,908	6,030,353
30	3,582,156	2,696,028	6,278,184	19	3,442,022	2,570,033	6,012,055
31	3,629,093	2,737,388	6,366,481	20	3,442,920	2,572,903	6,015,823
				21	3,449,358	2,583,533	6,032,891
April - - 2	3,622,473	2,738,388	6,360,861	22	3,455,320	2,575,903	6,031,223
3	3,659,361	2,758,523	6,417,884	23	3,474,886	2,593,878	6,068,764
4	3,665,376	2,762,388	6,427,764	25	3,458,211	2,585,505	6,043,719
5	3,697,766	2,803,733	6,501,499	26	3,464,643	2,580,438	6,045,081
6	Good Friday.			27	3,455,843	2,571,748	6,027,591
7	3,763,139	2,864,073	6,627,212	28	3,449,396	2,568,793	6,018,189
9	3,728,569	2,842,968	6,571,537	29	3,458,721	2,552,328	6,011,049
10	3,735,989	2,872,208	6,608,197	30	3,476,563	2,564,338	6,040,901
11	3,747,412	2,881,993	6,629,405				
12	3,762,153	2,884,483	6,646,636	July - - 2	3,470,207	2,559,703	6,029,910
13	3,745,381	2,877,048	6,622,429	3	3,481,439	2,574,568	6,056,007
14	3,745,796	2,881,208	6,627,004	4	3,482,665	2,567,633	6,050,298
16	3,732,325	2,858,689	6,591,014	5	3,506,790	2,591,963	6,098,753
17	3,754,322	2,851,333	6,605,655	6	3,508,449	2,590,648	6,099,097
18	3,740,123	2,840,663	6,580,786	7	3,537,813	2,619,533	6,157,346
19	3,739,870	2,828,618	6,568,488	9	3,503,689	2,596,918	6,100,607
20	3,741,982	2,820,988	6,562,970	10	3,520,058	2,620,318	6,140,376
21	3,769,646	2,843,508	6,613,154	11	3,507,592	2,615,758	6,123,350
23	3,734,415	2,826,958	6,561,373	12	3,511,979	2,602,468	6,114,447
24	3,754,181	2,840,393	6,594,574	13	3,499,950	2,602,848	6,102,798
25	3,752,843	2,833,958	6,586,801	14	3,516,475	2,622,843	6,139,300
26	3,758,326	2,835,968	6,594,294	16	3,486,398	2,599,518	6,085,916
27	3,745,761	2,829,273	6,575,034	17	3,503,703	2,588,258	6,091,961
28	3,754,329	2,844,473	6,598,802	18	3,494,195	2,578,458	6,072,653
30	3,724,725	2,834,208	6,558,933	19	3,499,408	2,577,118	6,076,526
				20	3,490,155	2,565,748	6,055,903
May - - 1	3,741,159	2,848,878	6,590,037	21	3,508,687	2,584,638	6,093,325
2	3,725,052	2,844,703	6,569,755	23	3,472,454	2,561,633	6,034,087
3	3,717,403	2,838,598	6,556,001	24	3,477,352	2,558,983	6,036,335
4	3,731,071	2,834,853	6,565,924	25	3,469,138	2,542,298	6,011,436
5	3,750,091	2,847,908	6,597,927	26	3,468,509	2,540,068	6,008,577
7	3,712,792	2,819,763	6,532,555	27	3,464,719	2,529,733	5,994,452
8	3,707,532	2,824,636	6,532,168	28	3,489,331	2,536,668	6,025,999
9	3,701,115	2,811,258	6,512,373	30	3,448,065	2,505,721	5,953,786
10	3,684,474	2,805,963	6,490,437	31	3,447,901	2,518,488	5,966,389

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1849:	£.	£.	£.
August - 1	3,443,440	2,512,688	5,956,128
2	3,441,282	2,514,318	5,955,600
3	3,431,309	2,506,253	5,937,562
4	3,449,076	2,520,108	5,969,184
6	3,414,915	2,494,943	5,909,858
7	3,406,077	2,497,988	5,904,065
8	3,385,292	2,480,488	5,865,780
9	3,375,818	2,474,243	5,850,061
10	3,372,646	2,469,998	5,842,644
11	3,388,678	2,493,728	5,882,406
13	3,357,099	2,476,893	5,833,992
14	3,352,119	2,487,408	5,839,527
15	3,340,484	2,474,298	5,814,782
16	3,339,536	2,472,633	5,812,169
17	3,339,562	2,465,188	5,804,750
18	3,351,212	2,482,823	5,834,035
20	3,324,275	2,464,118	5,788,393
21	3,326,070	2,460,058	5,786,128
22	3,316,131	2,446,778	5,762,909
23	3,315,400	2,437,468	5,752,868
24	3,323,438	2,433,648	5,757,086
25	3,340,786	2,449,543	5,790,329
27	3,309,208	2,441,683	5,750,891
28	3,306,562	2,444,368	5,750,930
29	3,298,453	2,440,703	5,739,156
30	3,303,264	2,438,403	5,741,667
31	3,302,660	2,441,243	5,743,903
September - 1	3,342,552	2,470,783	5,813,335
3	3,327,664	2,462,423	5,790,087
4	3,335,885	2,472,978	5,808,863
5	3,324,344	2,455,988	5,780,332
6	3,325,061	2,454,498	5,779,559
7	3,320,309	2,440,288	5,760,597
8	3,346,020	2,467,153	5,813,173
10	3,319,026	2,459,348	5,778,374
11	3,334,975	2,479,993	5,814,968
12	3,328,196	2,479,163	5,807,359
13	3,333,857	2,483,038	5,816,895
14	3,335,424	2,482,683	5,818,107
15	3,366,285	2,512,973	5,879,258
17	3,345,590	2,513,008	5,858,598
18	3,358,875	2,524,063	5,882,938
19	3,371,830	2,527,268	5,899,098
20	3,384,390	2,522,963	5,907,353
21	3,387,133	2,519,363	5,906,496
22	3,443,922	2,556,503	6,000,425
24	3,435,184	2,552,643	5,987,827
25	3,448,447	2,577,868	6,026,315
26	3,440,420	2,581,828	6,022,248
27	3,482,443	2,599,808	6,082,251
28	3,509,710	2,618,638	6,128,348
29	3,577,595	2,665,568	6,243,163
October - 1	3,576,938	2,679,268	6,256,206
2	3,615,605	2,690,263	6,305,868
3	3,608,967	2,685,013	6,293,980
4	3,639,234	2,692,273	6,331,507
5	3,666,342	2,700,503	6,366,845
6	3,742,248	2,743,923	6,486,171
8	3,739,100	2,739,158	6,478,288
9	3,761,517	2,773,533	6,535,050
10	3,794,530	2,788,948	6,583,478
11	3,841,304	2,799,678	6,640,982
12	3,841,923	2,801,573	6,643,496
13	3,880,633	2,825,528	6,706,161
15	3,840,621	2,813,203	6,653,824
16	3,851,068	2,818,068	6,669,136
17	3,850,361	2,810,093	6,660,454
18	3,858,825	2,808,003	6,666,828
19	3,857,750	2,794,128	6,651,878
20	3,887,441	2,824,383	6,711,824
October - 22	3,844,837	2,804,358	6,649,195
23	3,840,229	2,795,313	6,635,542
24	3,824,329	2,786,228	6,610,557
25	3,830,614	2,781,248	6,611,862
26	3,826,440	2,767,838	6,594,278
27	3,843,669	2,768,008	6,611,677
29	3,800,527	2,746,643	6,547,170
30	3,797,208	2,746,333	6,543,541
31	3,779,746	2,729,948	6,509,694
November - 1	3,785,396	2,737,153	6,522,549
2	3,776,612	2,733,663	6,510,275
3	3,800,293	2,743,928	6,544,221
5	3,761,948	2,731,508	6,493,456
6	3,761,173	2,741,558	6,502,731
7	3,741,150	2,728,333	6,469,483
8	3,738,351	2,734,533	6,472,884
9	3,712,638	2,720,193	6,432,821
10	2,734,661	2,752,768	6,487,429
12	3,695,869	2,727,848	6,423,717
13	3,694,268	2,743,893	6,438,161
14	3,699,959	2,731,933	6,431,892
15	Thanksgiving Day.		
16	3,709,366	2,711,273	6,420,639
17	3,706,796	2,723,213	6,430,009
19	3,667,160	2,694,898	6,362,058
20	3,667,156	2,700,693	6,367,849
21	3,665,691	2,692,253	6,357,944
22	3,674,312	2,691,943	6,366,255
23	3,662,773	2,688,968	6,351,741
24	3,678,283	2,698,916	6,377,199
26	3,619,804	2,669,743	6,289,547
27	3,615,483	2,660,013	6,275,496
28	3,602,201	2,652,438	6,254,639
29	3,588,783	2,649,303	6,238,086
30	3,587,970	2,645,933	6,233,903
December - 1	3,606,854	2,658,748	6,265,602
3	3,575,156	2,635,393	6,210,549
4	3,568,517	2,632,653	6,201,170
5	3,552,602	2,611,288	6,163,890
6	3,547,485	2,614,183	6,161,668
7	3,549,184	2,602,473	6,151,657
8	3,555,037	2,609,498	6,164,535
10	3,532,969	2,592,568	6,125,537
11	3,533,602	2,608,173	6,141,775
12	3,532,346	2,599,913	6,132,259
13	3,519,811	2,588,843	6,108,654
14	3,511,606	2,593,143	6,104,749
15	3,524,303	2,606,303	6,130,606
17	3,501,460	2,606,748	6,108,208
18	3,501,805	2,593,023	6,094,828
19	3,511,028	2,603,438	6,114,466
20	3,518,929	2,598,243	6,117,172
21	3,513,720	2,594,738	6,108,458
22	3,535,092	2,608,763	6,143,855
24	3,503,217	2,601,048	6,104,265
25			
26	3,506,321	2,592,818	6,099,139
27	3,510,765	2,581,793	6,092,558
28	3,510,192	2,572,223	6,082,415
29	3,540,823	2,583,713	6,124,536
31	3,521,264	2,572,538	6,093,802
1850:			
January - 1	3,559,739	2,594,503	6,154,242
2	3,598,877	2,610,498	6,209,375
3	3,628,440	2,624,203	6,252,643
4	3,639,400	2,638,863	6,278,263
5	3,685,964	2,669,318	6,355,282
7	3,687,758	2,678,608	6,366,366

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.	DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1850:	£.	£.	£.	1850:	£.	£.	£.
January - 8	3,708,729	2,719,623	6,428,352	April - 1	3,657,377	2,817,758	6,475,135
9	3,711,306	2,729,878	6,441,184	2	3,679,366	2,831,173	6,510,539
10	3,720,061	2,733,683	6,453,744	3	3,692,602	2,835,743	6,528,345
11	3,724,534	2,718,473	6,443,007	4	3,700,011	2,840,618	6,540,629
12	3,735,322	2,723,923	6,459,245	5	3,716,238	2,871,458	6,587,696
14	3,691,453	2,698,608	6,390,061	6	3,759,807	2,905,163	6,664,970
15	3,701,324	2,710,498	6,411,822	8	3,743,750	2,899,283	6,643,033
16	3,706,088	2,710,588	6,416,676	9	3,757,698	2,919,633	6,677,331
17	3,712,444	2,706,098	6,418,542	10	3,756,116	2,920,608	6,676,724
18	3,707,675	2,687,138	6,394,813	11	3,758,284	2,913,478	6,671,762
19	3,731,465	2,716,203	6,447,668	12	3,759,292	2,909,458	6,668,750
21	3,701,080	2,701,258	6,402,338	13	3,768,531	2,919,088	6,687,619
22	3,719,319	2,706,183	6,425,502	15	3,745,946	2,889,013	6,634,959
23	3,712,909	2,694,918	6,407,827	16	3,744,958	2,878,008	6,622,966
24	3,712,871	2,673,208	6,386,079	17	3,745,441	2,879,403	6,624,844
25	3,710,531	2,651,338	6,361,869	18	3,755,891	2,879,793	6,635,684
26	3,720,347	2,661,453	6,381,800	19	3,757,174	2,878,038	6,635,212
28	3,678,113	2,652,683	6,330,796	20	3,779,049	2,895,128	6,674,177
29	3,682,633	2,661,793	6,344,426	22	3,762,928	2,893,188	6,656,116
30	3,673,613	2,653,583	6,327,196	23	3,772,295	2,919,518	6,691,813
31	3,672,837	2,656,531	6,329,368	24	3,778,888	2,917,038	6,695,926
				25	3,770,267	2,912,368	6,682,635
February - 1	3,653,740	2,659,808	6,313,548	26	3,758,365	2,904,698	6,663,063
2	3,664,581	2,682,248	6,346,829	27	3,774,243	2,934,538	6,708,781
4	3,628,381	2,668,823	6,297,204	29	3,748,129	2,920,668	6,668,797
5	3,626,951	2,673,813	6,300,764	30	3,758,957	2,919,593	6,678,550
6	3,612,631	2,655,218	6,267,849				
7	3,606,913	2,660,358	6,267,271				
8	3,593,286	2,651,588	6,244,874	May - 1	3,745,249	2,916,363	6,661,612
9	3,597,835	2,671,043	6,268,878	2	3,745,498	2,921,258	6,666,756
11	3,560,395	2,648,923	6,209,318	3	3,749,050	2,910,773	6,659,823
12	3,562,646	2,674,983	6,237,629	4	3,770,201	2,935,483	6,705,684
13	3,565,867	2,676,098	6,241,965	6	3,733,578	2,907,063	6,640,641
14	3,561,322	2,674,818	6,236,140	7	3,732,963	2,910,588	6,643,551
15	3,559,157	2,659,233	6,218,390	8	3,723,580	2,893,288	6,616,868
16	3,571,956	2,671,163	6,243,119	9	3,733,095	2,896,143	6,629,238
18	3,548,920	2,642,213	6,191,133	10	3,721,619	2,885,343	6,606,962
19	3,546,803	2,643,493	6,190.296	11	3,738,133	2,898,738	6,636,871
20	3,536,124	2,636,517	6,172,641	13	3,715,063	2,866,043	6,581,106
21	3,540,966	2,637,088	6,178,054	14	3,713,706	2,881,848	6,595,554
22	3,538,088	2,634,033	6,172,121	15	3,700,421	2,854,648	6,555,069
23	3,549,035	2,645,923	6,194,958	16	3,690,766	2,841,173	6,531,939
25	3,508,281	2,629,538	6,137,819	17	3,670,753	2,836,418	6,507,171
26	3,517,027	2,641,433	6,158,460	18	3,677,404	2,843,883	6,521,287
27	3,504,692	2,639,163	6,143,855	20	3,644,451	2,832,563	6,477,014
28	3,516,305	2,637,863	6,154,168	21	3,641,597	2,832,057	6,473,654
				22	3,623,385	2,814,148	6,437,533
March - 1	3,517,149	2,649,288	6,166,437	23	3,610,540	2,803,863	6,414,403
2	3,539,423	2,670,133	6,209,556	24	3,600,594	2,794,313	6,394,907
4	3,510,634	2,652,973	6,163,607	25	3,606,084	2,793,923	6,400,007
5	3,515,240	2,657,703	6,172,943	27	3,571,797	2,766,113	6,337,910
6	3,502,395	2,657,978	6,160,373	28	3,566,937	2,766,148	6,333,085
7	3,511,630	2,666,463	6,178,093	29	3,558,014	2,755,393	6,313,407
8	3,503,059	2,663,213	6,166,272	30	3,559,409	2,743,543	6,302,952
9	3,525,581	2,693,888	6,219,469	31	3,548,800	2,737,533	6,286,333
11	3,501,486	2,682,368	6,183,854				
12	3,510,834	2,697,118	6,207,952				
13	3,504,046	2,690,853	6,194,899	June - 1	3,572,732	2,753,298	6,326,030
14	3,519,334	2,693,598	6,212,932	3	3,548,137	2,718,378	6,266,515
15	3,519,530	2,687,378	6,206,908	4	3,544,607	2,713,988	6,258,595
16	3,537,432	2,698,248	6,235,680	5	3,529,945	2,708,583	6,238,528
18	3,509,447	2,688,898	6,198,345	6	3,525,694	2,708,508	6,234,202
19	3,513,309	2,696,108	6,209,417	7	3,512,737	2,704,833	6,217,570
20	3,509,814	2,691,728	6,201,542	8	3,530,436	2,722,783	6,253,219
21	3,522,217	2,705,268	6,227,485	10	3,490,611	2,699,748	6,190,359
22	3,524,800	2,711,788	6,236,588	11	3,496,814	2,715,013	6,211,827
23	3,557,807	2,740,828	6,298,635	12	3,497.062	2,703,778	6,200,840
25	3,548,480	2,738,153	6,286,633	13	3,498,798	2,696,643	6,195,441
26	3,569,083	2,753,923	6,323,006	14	3,485,771	2,689,328	6,175,099
27	3,577,130	2,757,338	6,334,468	15	3,504,772	2,711,548	6,216,320
28	3,603,210	2,783,778	6,386,988	17	3,478,511	2,706,308	6,184,819
29	Good Friday.			18	3,489,159	2,710,068	6,199,227
30	3,656,344	2,822,173	6,478,517	19	3,482,132	2,709,943	6,192,075

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1850:	£.	£.	£.
June - 20	3,483,040	2,707,483	6,190,523
21	3,482,413	2,726,243	6,208,656
22	3,521,880	2,737,113	6,258,993
24	3,513,473	2,721,148	6,234,621
25	3,512,109	2,714,518	6,226,627
26	3,498,708	2,704,388	6,203,096
27	3,504,138	2,695,618	6,199,756
28	3,513,523	2,692,418	6,205,941
29	3,531,048	2,704,838	6,235,886
July - 1	3,520,717	2,689,278	6,209,995
2	3,528,123	2,704,453	6,232,576
3	3,523,747	2,709,258	6,233,005
4	3,527,253	2,709,648	6,236,901
5	3,545,076	2,720,573	6,265,649
6	3,581,670	2,741,038	6,322,708
8	3,574,658	2,737,563	6,312,221
9	3,572,230	2,750,778	6,323,008
10	3,565,197	2,749,998	6,315,195
11	3,567,313	2,743,618	6,310,931
12	3,556,966	2,726,708	6,283,674
13	3,569,725	2,731,193	6,300,918
15	3,559,103	2,722,773	6,281,876
16	3,556,204	2,733,518	6,289,722
17	3,542,435	2,713,393	6,255,828
18	3,540,028	2,705,773	6,245,801
19	3,540,749	2,705,968	6,246,717
20	3,555,453	2,718,428	6,273,881
22	3,535,337	2,697,963	6,233,300
23	3,520,265	2,704,363	6,224,628
24	3,520,255	2,684,553	6,204,808
25	3,504,605	2,676,933	6,181,538
26	3,507,636	2,672,398	6,180,034
27	3,518,427	2,675,328	6,193,755
29	3,499,117	2,669,288	6,168,405
30	3,495,539	2,660,368	6,155,907
31	3,481,783	2,640,618	6,122,401
August - 1	3,487,913	2,653,183	6,141,096
2	3,472,439	2,633,748	6,106,187
3	3,478,455	2,658,668	6,137,123
5	3,451,077	2,654,623	6,105,700
6	3,451,680	2,646,258	6,097,938
7	3,445,378	2,635,183	6,080,561
8	3,446,765	2,623,828	6,070,593
9	3,434,497	2,611,983	6,046,480
10	3,446,369	2,642,193	6,088,562
12	3,428,139	2,628,588	6,056,727
13	3,430,084	2,636,638	6,066,722
14	3,416,320	2,614,963	6,031,283
15	3,415,442	2,619,663	6,035,105
16	3,415,196	2,607,003	6,022,199
17	3,425,305	2,624,568	6,049,873
19	3,398,531	2,601,043	5,999,574
20	3,398,501	2,608,578	6,007,079
21	3,391,536	2,592,043	5,983,579
22	3,394,810	2,595,113	5,989,923
23	3,402,016	2,591,003	5,993,019
24	3,419,968	2,609,203	6,029,171
26	3,399,888	2,598,693	5,998,581
27	3,400,736	2,614,313	6,015,049
28	3,391,038	2,596,808	5,987,846
29	3,401,359	2,597,668	5,999,027
30	3,398,378	2,592,298	5,990,676
31	3,428,681	2,630,213	6,058,894
September - 2	3,416,765	2,626,508	6,043,273
3	3,422,987	2,628,733	6,051,720
4	3,412,234	2,612,603	6,024,837
5	3,415,730	2,611,093	6,026,823
6	3,419,063	2,610,888	6,029,951
September 7	3,447,411	2,628,478	6,075,889
9	3,436,359	2,613,543	6,049,902
10	3,423,808	2,632,913	6,056,721
11	3,424,912	2,621,133	6,046,045
12	3,424,979	2,631,728	6,056,707
13	3,424,075	2,639,428	6,063,503
14	3,450,964	2,674,438	6,125,402
16	3,427,336	2,664,488	6,091,824
17	3,431,143	2,674,963	6,106,106
18	3,429,767	2,673,803	6,103,570
19	3,451,800	2,685,818	6,137,618
20	3,461,534	2,686,158	6,147,692
21	3,501,356	2,715,878	6,217,234
23	3,481,877	2,699,573	6,181,450
24	3,505,931	2,718,808	6,224,739
25	3,514,591	2,723,953	6,238,544
26	3,530,207	2,724,453	6,254,660
27	3,547,464	2,739,833	6,287,297
28	3,607,196	2,785,418	6,392,614
30	3,607,229	2,780,938	6,388,167
October - 1	3,640,693	2,794,363	6,435,056
2	3,663,420	2,796,738	6,460,158
3	3,681,138	2,811,853	6,492,991
4	3,676,165	2,816,038	6,492,203
5	3,732,734	2,858,573	6,591,307
7	3,713,231	2,855,383	6,568,614
8	3,727,743	2,887,918	6,615,661
9	3,750,212	2,890,133	6,640,345
10	3,781,262	2,907,708	6,688,970
11	3,805,339	2,932,893	6,738,232
12	3,841,356	2,964,968	6,806,324
14	3,810,849	2,940,338	6,751,187
15	3,810,071	2,935,368	6,745,439
16	3,811,371	2,926,273	6,737,644
17	3,815,896	2,934,603	6,750,499
18	3,814,350	2,931,263	6,745,613
19	3,840,825	2,951,458	6,792,283
21	3,821,167	2,930,003	6,751,170
22	3,806,783	2,917,273	6,724,056
23	3,794,208	2,893,208	6,687,416
24	3,789,515	2,887,593	6,677,108
25	3,779,219	2,867,793	6,647,012
26	3,796,110	2,886,663	6,682,773
28	3,767,229	2,856,498	6,623,727
29	3,760,947	2,848,983	6,609,930
30	3,745,998	2,834,388	6,580,386
31	3,746,183	2,816,998	6,563,181
November 1	3,743,699	2,817,498	6,561,197
2	3,750,855	2,847,898	6,598,753
4	3,722,550	2,829,128	6,551,678
5	3,723,250	2,833,813	6,557,063
6	3,706,428	2,823 643	6,530,071
7	3,694,884	2,822,878	6,517,762
8	3,681,333	2,820,003	6,501,336
9	3,674,539	2,845,363	6,519,902
11	3,647,264	2,816,908	6,464,172
12	3,640,233	2,834,338	6,474,571
13	3,634,859	2,817,513	6,452,372
14	3,629,049	2,811,303	6,440,352
15	3,609,086	2,790,058	6,399,144
16	3,625,552	2,792,243	6,417,795
18	3,590,646	2,781,788	6,372,434
19	3,586,848	2,779,353	6,366,201
20	3,574,430	2,758,713	6,333,143
21	3,570,143	2,757,328	6,327,471
22	3,575,139	2,755,343	6,330,482
23	3,585,382	2,782,948	6,368,330
25	3,550,156	2,766,963	6,317,119
26	3,539,912	2,761,688	6,301,600

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1850:	£.	£.	£.
November 27	3,530,930	2,742,623	6,273,553
28	3,523,542	2,742,423	6,265,965
29	3,521,098	2,732,048	6,253,146
30	3,523,076	2,740,148	6,263,224
December - 2	3,490,845	2,720,583	6,211,428
3	3,490,334	2,716,803	6,207,137
4	3,465,470	2,697,118	6,162,588
5	3,476,550	2,697,213	6,163,763
6	3,482,492	2,698,443	6,180,935
7	3,493,265	2,701,843	6,195,108
9	3,465,481	2,686,913	6,152,394
10	3,470,236	2,685,558	6,155,794
11	3,466,421	2,679,578	6,145,999
12	3,457,011	2,676,698	6,133,709
13	3,444,502	2,675,428	6,119,930
14	3,450,876	2,693,643	6,144,519
16	3,417,481	2,680,508	6,097,989
17	3,415,327	2,682,958	6,098,285
18	3,422,269	2,680,178	6,102,447
19	3,423,086	2,668,803	6,091,889
20	3,426,541	2,660,923	6,087,464
21	3,444,896	2,683,878	6,128,774
23	3,432,732	2,664,533	6,097,265
24	3,434,820	2,697,298	6,132,118
25			
26	3,431,292	2,680,848	6,112,140
27	3,435,042	2,659,298	6,094,340
28	3,453,447	2,666,663	6,120,110
30	3,437,303	2,647,388	6,084,691
31	3,457,610	2,639,643	6,097,253
1851:			
January - 1	3,463,236	2,641,278	6,104,514
2	3,503,259	2,658,923	6,162,182
3	3,521,025	2,684,693	6,205,718
4	3,572,228	2,720,963	6,293,191
6	3,576,382	2,731,808	6,308,190
7	3,602,205	2,749,638	6,351,843
8	3,605,814	2,756,553	6,362,367
9	3,623,368	2,769,278	6,392,646
10	3,607,576	2,750,233	6,357,809
11	3,618,744	2,769,353	6,388,097
13	3,598,932	2,767,973	6,366,905
14	3,607,620	2,784,888	6,392,508
15	3,615,263	2,778,178	6,393,441
16	3,616,368	2,763,643	6,380,011
17	3,607,821	2,754,308	6,362,129
18	3,619,211	2,770,058	6,389,269
20	3,579,317	2,744,483	6,323,800
21	3,585,047	2,737,273	6,322,320
22	3,589,450	2,732,408	6,321,858
23	3,591,509	2,717,028	6,308,537
24	3,579,883	2,702,938	6,282,821
25	3,582,288	2,714,728	6,297,016
27	3,544,307	2,702,053	6,246,360
28	3,542,196	2,696,788	6,238,984
29	3,524,746	2,683,953	6,208,699
30	3,537,542	2,680,283	6,217,825
31	3,530,749	2,673,128	6,203,877
February - 1	3,539,830	2,701,248	6,241,078
3	3,511,426	2,687,368	6,198,794
4	3,512,790	2,701,808	6,214,598
5	3,504,841	2,688,523	6,193,364
6	3,504,986	2,693,398	6,198,384
7	3,481,420	2,686,213	6,167,633
8	3,482,669	2,707,978	6,190,647
10	3,452,773	2,684,243	6,137,016
11	3,465,200	2,698,678	6,163,878
12	3,471,694	2,699,043	6,170,737
13	3,465,932	2,709,133	6,175,065
February - 14	3,455,207	2,705,378	6,160,585
15	3,452,241	2,711,758	6,163,999
17	3,419,574	2,675,553	6,095,127
18	3,402,539	2,675,848	6,078,387
19	3,392,828	2,665,368	6,058,196
20	3,399,832	2,667,748	6,067,580
21	3,387,123	2,662,008	6,049,131
22	3,393,888	2,681,533	6,075,421
24	3,368,607	2,665,428	6,034,035
25	3,370,054	2,669,953	6,040,007
26	3,365,845	2,656,288	6,022,133
27	3,378,402	2,650,058	6,028,460
28	3,385,059	2,656,568	6,041,627
March - 1	3,408,508	2,685,453	6,093,961
3	3,383,548	2,678,688	6,062,236
4	3,392,517	2,688,948	6,081,465
5	3,381,283	2,668,353	6,049,636
6	3,394,390	2,674,693	6,069,083
7	3,401,112	2,667,498	6,068,610
8	3,414,416	2,698,998	6,113,414
10	3,381,846	2,678,288	6,060,134
11	3,380,445	2,701,518	6,081,963
12	3,379,168	2,681,008	6,060,176
13	3,381,185	2,688,853	6,070,038
14	3,388,260	2,692,228	6,080,488
15	3,390,307	2,715,068	6,105,375
17	3,367,772	2,689,538	6,057,310
18	3,368,269	2,689,738	6,058,007
19	3,378,451	2,695,133	6,073,584
20	3,394,224	2,702,018	6,096,242
21	3,403,847	2,712,108	6,115,955
22	3,431,579	2,752,293	6,183,872
24	3,420,843	2,754,548	6,175,391
25	3,450,211	2,776,558	6,226,769
26	3,456,646	2,779,308	6,235,954
27	3,475,786	2,784,928	6,260,714
28	3,491,243	2,788,648	6,279,891
29	3,512,926	2,831,443	6,344,369
31	3,508,058	2,823,533	6,331,591
April - 1	3,546,807	2,849,208	6,396,015
2	3,554,762	2,854,573	6,409,335
3	3,577,710	2,865,058	6,442,768
4	3,591,101	2,877,178	6,468,279
5	3,640,687	2,919,418	6,560,105
7	3,640,046	2,912,963	6,553,009
8	3,649,102	2,938,733	6,587,835
9	3,650,867	2,941,463	6,592,330
10	3,662,828	2,936,383	6,599,211
11	3,657,813	2,943,143	6,600,956
12	3,672,695	2,958,383	6,631,078
14	3,639,490	2,930,475	6,569,965
15	3,642,655	2,928,848	6,571,503
16	3,651,948	2,927,393	6,579,341
17	3,692,035	2,933,268	6,625,303
18	Good Friday.		
19	3,722,798	2,953,993	6,676,791
21	3,701,843	2,949,278	6,651,121
22	3,709,879	2,977,283	6,687,162
23	3,722,872	2,978,188	6,701,060
24	3,730,280	2,976,143	6,706,423
25	3,723,074	2,976,813	6,699,887
26	3,736,634	3,000,208	6,736,842
28	3,708,019	2,970,143	6,678,162
29	3,702,053	2,976,698	6,678,751
30	3,689,405	2,962,588	6,651,993
May - 1	3,693,786	2,958,348	6,652,134
2	3,696,209	2,953,223	6,649,432
3	3,719,650	2,976,173	6,695,823
5	3,699,227	2,965,018	6,664,245

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1851:	£.	£.	£.
May - 6	3,704,043	2,976,158	6,680,201
7	3,692,201	2,953,083	6,645,284
8	3,685,501	2,951,088	6,636,589
9	3,678,806	2,939,038	6,617,844
10	3,688,315	2,960,150	6,648,465
12	3,669,896	2,939,608	6,609,504
13	3,670,474	2,951,433	6,621,907
14	3,659,572	2,944,103	6,603,675
15	3,660,284	2,923,413	6,583,697
16	3,650,851	2,914,698	6,565,549
17	3,651,908	2,923,548	6,575,456
19	3,618,277	2,901,993	6,520,270
20	3,598,313	2,885,968	6,484,281
21	3,588,560	2,865,323	6,453,883
22	3,578,947	2,846,608	6,425,555
23	3,560,847	2,829,968	6,390,815
24	3,562,199	2,844,898	6,407,097
26	3,518,829	2,808,758	6,327,587
27	3,510,206	2,809,903	6,320,109
28	3,500,023	2,802,438	6,302,461
29	3,500,641	2,803,508	6,304,149
30	3,503,404	2,781,548	6,284,952
31	3,517,058	2,804,453	6,321,511
June - 2	3,503,249	2,780,633	6,283,882
3	3,502,211	2,794,048	6,296,259
4	3,477,988	2,778,143	6,256,131
5	3,476,583	2,778,003	6,254,586
6	3,475,611	2,780,618	6,256,229
7	3,504,600	2,802,308	6,306,908
9	3,475,568	2,777,698	6,253,266
10	3,480,972	2,784,553	6,265,525
11	3,474,711	2,771,503	6,246,214
12	3,465,562	2,768,218	6,233,780
13	3,457,640	2,754,548	6,212,188
14	3,480,346	2,771,763	6,252,109
16	3,445,325	2,756,993	6,202,318
17	3,444,547	2,750,273	6,194,820
18	3,438,528	2,735,793	6,174,321
19	3,436,736	2,738,298	6,175,034
20	3,437,924	2,736,928	6,174,852
21	3,463,412	2,753,048	6,216,460
23	3,438,651	2,730,303	6,168,954
24	3,450,849	2,736,738	6,187,587
25	3,448,161	2,733,198	6,181,359
26	3,442,896	2,726,473	6,169,369
27	3,436,786	2,710,908	6,147,694
28	3,455,235	2,735,393	6,190,628
30	3,402,834	2,705,678	6,108,512
July - 1	3,424,455	2,721,353	6,145,808
2	3,429,817	2,717,618	6,147,435
3	3,435,408	2,718,358	6,153,766
4	3,439,383	2,708,343	6,147,726
5	3,463,963	2,749,593	6,213,556
7	3,445,467	2,720,813	6,166,280
8	3,448,192	2,745,053	6,193,245
9	3,448,184	2,746,183	6,194,367
10	3,455,128	2,724,853	6,179,981
11	3,444,636	2,712,238	6,156,874
12	3,461,599	2,731,123	6,192,722
14	3,422,694	2,722,488	6,145,182
15	3,424,562	2,723,728	6,148,290
16	3,408,927	2,714,473	6,123,400
17	3,404,860	2,716,998	6,121,858
18	3,401,324	2,710,668	6,111,992
19	3,410,753	2,726,208	6,136,961
21	3,396,930	2,705,628	6,102,558
22	3,390,205	2,704,293	6,094,498
23	3,375,703	2,683,543	6,059,246
24	3,358,109	2,663,623	6,021,732
July - 25	3,354,752	2,651,663	6,006,415
26	3,365,859	2,670,783	6,036,642
28	3,327,020	2,636,568	5,963,588
29	3,329,850	2,625,328	5,955,178
30	3,312,571	2,612,378	5,924,949
31	3,308,049	2,616,733	5,924,782
August - 1	3,310,173	2,603,858	5,914,031
2	3,332,501	2,621,368	5,953,869
4	3,296,939	2,597,583	5,894,522
5	3,309,009	2,603,108	5,912,117
6	3,288,669	2,591,208	5,879,877
7	3,274,430	2,582,593	5,857,023
8	3,264,871	2,567,643	5,832,514
9	3,273,093	2,611,453	5,884,546
11	3,240,545	2,588,118	5,837,663
12	3,257,654	2,603,188	5,860,842
13	3,246,552	2,594,963	5,841,515
14	3,244,192	2,589,968	5,834,160
15	3,235,181	2,587,403	5,822,584
16	3,255,922	2,598,398	5,854,320
18	3,221,253	2,574,963	5,796,216
19	3,213,789	2,573,748	5,787,537
20	3,206,329	2,559,368	5,765,697
21	3,215,625	2,565,023	5,780,648
22	3,215,931	2,558,168	5,774,099
23	3,224,531	2,572,853	5,797,384
25	3,200,763	2,554,728	5,755,491
26	3,195,718	2,550,878	5,746,596
27	3,188,713	2,546,628	5,735,341
28	3,196,198	2,549,458	5,745,656
29	3,204,417	2,555,023	5,759,440
30	3,222,299	2,567,143	5,789,442
September 1	3,206,345	2,556,273	5,762,618
2	3,205,676	2,566,678	5,772,354
3	3,201,005	2,558,673	5,759,678
4	3,210,115	2,554,168	5,764,283
5	3,210,301	2,559,113	5,769,414
6	3,236,406	2,593,788	5,830,194
8	3,220,634	2,583,548	5,804,182
9	3,223,217	2,611,383	5,834,600
10	3,217,348	2,601,348	5,818,696
11	3,220,492	2,604,813	5,825,305
12	3,228,838	2,608,693	5,837,531
13	3,261,340	2,643,498	5,904,838
15	3,231,710	2,624,303	5,856,013
16	3,231,762	2,629,763	5,861,525
17	3,241,152	2,627,688	5,868,840
18	3,254,163	2,633,408	5,887,571
19	3,286,342	2,650,073	5,936,415
20	3,333,563	2,694,168	6,027,731
22	3,315,995	2,676,083	5,992,078
23	3,318,463	2 686,923	6,005,386
24	3,329,292	2,693,053	6,022,345
25	3,336,557	2,695,623	6,032,180
26	3,354,372	2,708,743	6,063,115
27	3,396,951	2,753,213	6,150,164
29	3,409,194	2,765,293	6,174,487
30	3,420,117	2,762,013	6,182,130
October - 1	3,447,689	2,770,993	6,218,682
2	3,478,395	2,790,498	6,268,893
3	3,493,209	2,791,153	6,284,362
4	3,534,634	2,829,058	6,363,692
6	3,521,722	2,828,323	6,350,045
7	3,534,139	2,850,943	6,385,082
8	3,558,646	2,856,568	6,415,214
9	3,568,220	2,858,128	6,426,348
10	3,594,722	2,888,088	6,482,810
11	3,647,752	2,918,733	6,566,485
13	3,629,940	2,905,688	6,535,628

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1851:	£.	£.	£.
October - 14	3,625,982	2,910,448	6,536,430
15	3,618,053	2,901,433	6,519,486
16	3,632,297	2,889,238	6,521,535
17	3,637,871	2,890,088	6,527,959
18	3,674,736	2,926,018	6,600,754
20	3,653,213	2,905,338	6,558,551
21	3,632,359	2,879,338	6,511,697
22	3,625,836	2,864,723	6,490,559
23	3,615,748	2,857,233	6,472,981
24	3,593,805	2,842,658	6,436,463
25	3,612,009	2,841,418	6,453,427
27	3,587,862	2,810,183	6,398,045
28	3,586,870	2,813,288	6,400,158
29	3,589,470	2,805,698	6,395,168
30	3,591,454	2,793,623	6,385,077
31	3,579,173	2,788,403	6,367,576
November - 1	3,617,367	2,830,103	6,447,470
3	3,594,257	2,812,153	6,406,410
4	3,588,486	2,815,958	6,404,444
5	3,574,648	2,804,838	6,379,486
6	3,567,522	2,812,948	6,380,470
7	3,551,564	2,800,238	6,351,802
8	3,559,644	2,831,643	6,391,287
10	3,524,061	2,805,353	6,329,414
11	3,522,194	2,807,313	6,329,507
12	3,517,603	2,801,218	6,318,821
13	3,516,968	2,791,463	6,308,431
14	3,508,081	2,793,208	6,301,289
15	3,517,468	2,811,718	6,329,186
17	3,491,277	2,791,998	6,283,275
18	3,479,241	2,788,323	6,267,564
19	3,467,724	2,771,613	6,239,337
20	3,471,312	2,766,863	6,238,175
21	3,459,997	2,764,108	6,224,105
22	3,482,512	2,786,478	6,268,990
24	3,441,201	2,763,373	6,204,574
25	3,446,117	2,766,928	6,213,045
26	3,432,785	2,746,633	6,179,418
27	3,425,137	2,727,753	6,152,890
28	3,419,011	2,714,238	6,133,249
29	3,435,731	2,727,043	6,162,774
December - 1	3,407,474	2,710,258	6,117,732
2	3,405,157	2,702,538	6,107,695
3	3,402,711	2,698,183	6,100,894
4	3,400,437	2,688,193	6,088,630
5	3,401,319	2,683,528	6,084,847
6	3,420,517	2,700,053	6,120,570
8	3,391,927	2,686,303	6,078,230
9	3,389,923	2,687,043	6,076,266
10	3,382,491	2,674,133	6,056,624
11	3,391,688	2,684,358	6,076,046
12	3,382,992	2,671,218	6,054,210
13	3,379,440	2,688,443	6,067,883
15	3,347,835	2,669,438	6,017,273
16	3,348,236	2,677,683	6,025,919
17	3,343,666	2,675,028	6,018,694
18	3,356,200	2,673,558	6,029,758
19	3,350,325	2,675,133	6,025,458
20	3,367,662	2,668,723	6,036,385
22	3,331,924	2,650,528	5,982,452
23	3,330,090	2,651,708	5,981,798
24	3,347,363	2,681,568	6,028,931
25			
26	3,330,403	2,653,383	5,983,786
27	3,353,471	2,658,308	6,011,779
29	3,348,240	2,646,153	5,994,393
30	3,366,970	2,650,808	6,017,778
31	3,372,372	2,635,203	6,007,575

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1852:	£.	£.	£.
January - 1	3,403,813	2,642,028	6,045,841
2	3,426,667	2,664,433	6,091,100
3	3,475,852	2,707,128	6,182,980
5	3,474,749	2,719,633	6,194,382
6	3,493,649	2,756,513	6,250,162
7	3,504,907	2,764,288	6,269,195
8	3,528,171	2,770,983	6,299,154
9	3,529,085	2,760,253	6,289,338
10	3,551,466	2,787,358	6,338,824
12	3,520,493	2,765,713	6,286,206
13	3,529,040	2,794,183	6,323,223
14	3,542,154	2,798,353	6,340,507
15	3,544,424	2,791,478	6,335,902
16	3,553,482	2,790,188	6,343,670
17	3,558,023	2,798,218	6,356,241
19	3,524,307	2,781,608	6,305,915
20	3,522,136	2,777,133	6,299,269
21	3,520,863	2,770,748	6,291,611
22	3,528,476	2,765,233	6,293,709
23	3,527,910	2,750,748	6,278,658
24	3,520,542	2,752,658	6,273,200
26	3,495,208	2,736,163	6,231,371
27	3,496,145	2,733,078	6,229,223
28	3,496,994	2,724,493	6,221,487
29	3,512,008	2,724,803	6,236,811
30	3,487,832	2,715,758	6,203,590
31	3,486,729	2,738,153	6,224,882
February - 2	3,468,599	2,729,173	6,197,772
3	3,473,134	2,748,088	6,221,222
4	3,446,602	2,718,178	6,164,780
5	3,448,279	2,725,523	6,173,802
6	3,451,837	2,714,188	6,166,025
7	3,472,443	2,728,828	6,201,271
9	3,435,422	2,710,573	6,145,995
10	3,442,734	2,723,878	6,166,612
11	3,439,826	2,712,648	6,152,474
12	3,437,816	2,727,498	6,165,314
13	3,418,567	2,720,408	6,138,975
14	3,419,856	2,743,548	6,163,404
16	3,382,870	2,718,528	6,101,398
17	3,382,330	2,720,888	6,103,218
18	3,378,144	2,712,608	6,090,752
19	3,377,996	2,712,538	6,090,534
20	3,382,763	2,700,743	6,083,506
21	3,392,955	2,731,636	6,124,591
23	3,366,166	2,711,868	6,078,034
24	3,368,999	2,708,758	6,077,757
25	3,365,599	2,700,578	6,066,177
26	3,367,146	2,698,438	6,065,584
27	3,375,015	2,694,098	6,069,113
28	3,398,952	2,722,363	6,121,315
March - 1	3,381,303	2,726,413	6,107,716
2	3,390,502	2,738,543	6,129,045
3	3,371,380	2,722,333	6,093,713
4	3,394,824	2,719,633	6,114,457
5	3,400,781	2,711,343	6,112,124
6	3,425,426	2,729,743	6,155,169
8	3,404,268	2,710,108	6,114,376
9	3,406,771	2,736,353	6,143,124
10	3,416,263	2,737,083	6,153,346
11	3,419,012	2,750,583	6,169,595
12	3,419,614	2,745,053	6,164,667
13	3,422,489	2,767,143	6,189,632
15	3,396,067	2,756,668	6,152,735
16	3,400,991	2,759,068	6,160,059
17	3,393,711	2,759,255	6,152,966
18	3,417,650	2,756,843	6,174,493
19	3,416,009	2,750,568	6,166,577
20	3,421,292	2,796,328	6,217,620
22	3,431,418	2,791,388	6,222,806

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1852:	£.	£.	£.
March - 23	3,431,922	2,805,438	6,237,360
24	3,440,273	2,806,818	6,247,091
25	3,472,085	2,827,438	6,299,523
26	3,495,873	2,837,518	6,333,391
27	3,506,176	2,862,308	6,368,484
29	3,499,404	2,850,838	6,350,242
30	3,509,088	2,853,813	6,362,901
31	3,526,904	2,863,388	6,390,292
April - 1	3,557,279	2,880,748	6,438,027
2	3,570,287	2,889,203	6,459,490
3	3,617,819	2,930,668	6,548,487
5	3,602,759	2,941,768	6,544,527
6	3,628,850	2,964,458	6,593,308
7	3,647,644	2,965,478	6,613,122
8	3,661,333	2,963,648	6,624,981
9	Good Friday.		
10	3,678,393	2,986,938	6,665,331
12	3,656,899	2,964,553	6,621,452
13	3,652,405	2,987,648	6,640,053
14	3,657,659	2,979,603	6,637,262
15	3,664,909	2,975,323	6,640,232
16	3,667,005	2,960,978	6,627,983
17	3,678,658	2,975,373	6,654,031
19	3,655,012	2,969,793	6,624,805
20	3,675,228	2,982,233	6,657,461
21	3,678,006	2,985,978	6,663,984
22	3,677,761	2,984,533	6,662,294
23	3,669,819	2,968,233	6,638,052
24	3,676,990	2,990,433	6,667,423
26	3,636,966	2,977,463	6,614,429
27	3,643,286	2,968,018	6,611,304
28	3,632,090	2,953,723	6,585,813
29	3,635,745	2,956,703	6,592,448
30	3,632,034	2,953,008	6,585,042
May - 1	3,665,285	2,981,528	6,646,813
3	3,649,434	2,973,193	6,622,627
4	3,647,210	2,985,663	6,632,873
5	3,641,470	2,975,893	6,617,363
6	3,638,651	2,960,193	6,598,844
7	3,625,612	2,946,153	6,571,765
8	3,650,657	2,948,178	6,598,835
10	3,622,921	2,911,958	6,534,879
11	3,616,221	2,919,683	6,535,904
12	3,613,235	2,921,708	6,534,943
13	3,616,956	2,912,903	6,529,859
14	3,606,312	2,905,973	6,512,285
15	3,607,410	2,921,388	6,528,798
17	3,578,094	2,911,403	6,489,497
18	3,569,388	2,910,903	6,480,291
19	3,555,445	2,902,038	6,457,483
20	3,553,165	2,893,128	6,446,293
21	3,558,060	2,888,648	6,446,708
22	3,544,528	2,904,368	6,448,896
24	3,525,032	2,862,888	6,387,920
25	3,527,008	2,858,948	6,385,956
26	3,507,442	2,837,243	6,344,685
27	3,503,428	2,840,008	6,343,436
28	3,494,353	2,841,473	6,335,826
29	3,515,937	2,858,313	6,374,250
31	3,481,632	2,842,008	6,323,640
June - 1	3,492,166	2,847,263	6,339,429
2	3,498,426	2,827,863	6,326,289
3	3,498,909	2,842,248	6,341,157
4	3,492,810	2,835,343	6,328,153
5	3,512,741	2,835,653	6,348,394
7	3,469,893	2,813,858	6,283,751
8	3,468,309	2,822,128	6,290,437
9	3,451,764	2,819,528	6,271,292
10	3,443,993	2,802,193	6,246,186
June - 11	3,435,902	2,796,758	6,232,660
12	3,440,278	2,819,818	6,260,096
14	3,417,293	2,801,018	6,218,311
15	3,420,622	2,805,278	6,225,900
16	3,412,508	2,784,893	6,197,401
17	3,416,450	2,783,753	6,200,203
18	3,412,244	2,771,588	6,183,832
19	3,436,277	2,801,593	6,237,870
21	3,411,137	2,783,058	6,194,195
22	3,418,652	2,800,143	6,218,795
23	3,410,393	2,790,078	6,200,471
24	3,422,969	2,792,453	6,215,422
25	3,431,205	2,790,608	6,221,813
26	3,451,473	2,810,748	6,262,221
28	3,412,250	2,787,873	6,200,123
29	3,427,342	2,789,798	6,217,140
30	3,427,634	2,777,183	6,204,817
July - 1	3,459,971	2,793,118	6,253,089
2	3,470,920	2,815,533	6,286,453
3	3,501,878	2,841,628	6,343,506
5	3,492,123	2,829,118	6,321,241
6	3,515,890	2,844,803	6,360,693
7	3,512,909	2,840,948	6,353,857
8	3,522,917	2,838,903	6,361,820
9	3,504,015	2,831,253	6,335,268
10	3,515,289	2,851,678	6,366,967
12	3,506,169	2,849,913	6,356,082
13	3,505,797	2,855,968	6,361,765
14	3,497,750	2,850,153	6,347,903
15	3,500,808	2,856,348	6,357,156
16	3,501,590	2,854,453	6,356,043
17	3,514,425	2,872,438	6,386,863
19	3,484,559	2,839,283	6,323,842
20	3,491,395	2,846,213	6,337,608
21	3,484,509	2,841,448	6,325,957
22	3,485,885	2,836,223	6,322,108
23	3,479,066	2,820,758	6,299,824
24	3,488,315	2,853,408	6,341,723
26	3,461,865	2,822,102	6,283,967
27	3,469,488	2,808,083	6,277,571
28	3,462,147	2,797,293	6,259,440
29	3,449,656	2,795,028	6,244,684
30	3,454,146	2,780,018	6,234,164
31	3,465,515	2,792,733	6,258,248
August - 2	3,453,252	2,754,953	6,208,205
3	3,454,389	2,763,473	6,217,862
4	3,452,794	2,753,313	6,206,107
5	3,453,011	2,763,418	6,216,429
6	3,449,061	2,747,008	6,196,069
7	3,477,075	2,772,508	6,249,583
9	3,442,315	2,751,558	6,193,873
10	3,448,487	2,753,028	6,201,515
11	3,438,945	2,753,746	6,192,691
12	3,436,916	2,752,358	6,189,274
13	3,430,340	2,760,508	6,190,848
14	3,434,677	2,780,993	6,215,670
16	3,400,373	2,757,238	6,157,611
17	3,399,259	2,756,538	6,155,797
18	3,388,705	2,745,838	6,134,543
19	3,390,367	2,752,133	6,142,500
20	3,387,068	2,745,163	6,132,231
21	3,410,647	2,767,893	6,178,540
23	3,392,738	2,748,193	6,140,931
24	3,384,922	2,750,023	6,134,945
25	3,377,153	2,743,808	6,120,961
26	3,377,916	2,758,898	6,136,814
27	3,385,616	2,753,063	6,138,679
28	3,404,818	2,782,348	6,187,166
30	3,379,334	2,765,848	6,145,182
31	3,386,539	2,780,358	6,166,897

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1852:	£.	£.	£.
September - 1	3,397,304	2,780,838	6,178,142
2	3,400,869	2,782,688	6,183,557
3	3,416,995	2,792,088	6,209,083
4	3,448,463	2,832,093	6,280,556
6	3,434,926	2,832,808	6,267,734
7	3,443,928	2,846,713	6,290,641
8	3,457,137	2,841,158	6,298,295
9	3,453,693	2,849,463	6,303,156
10	3,458,354	2,857,183	6,315,537
11	3,489,455	2,890,133	6,379,588
13	3,464,338	2,871,303	6,335,641
14	3,459,372	2,889,723	6,349,095
15	3,462,121	2,881,843	6,343,964
16	3,486,688	2,893,538	6,380,226
17	3,497,469	2,904,913	6,402,382
18	3,527,355	2,929,308	6,456,663
20	3,530,236	2,938,008	6,468,244
21	3,536,665	2,950,423	6,487,088
22	3,547,653	2,936,373	6,484,026
23	3,560,835	2,935,448	6,496,283
24	3,577,483	2,954,628	6,532,111
25	3,628,791	2,994,108	6,622,899
27	3,635,973	2,977,978	6,613,951
28	3,629,840	2,988,428	6,618,268
29	3,674,024	3,010,658	6,684,682
30	3,716,268	3,020,562	6,736,830
October - 1	3,747,597	3,038,643	6,786,240
2	3,797,517	3,081,403	6,878,920
4	3,769,151	3,063,653	6,832,804
5	3,794,610	3,091,698	6,886,308
6	3,806,054	3,096,988	6,903,042
7	3,838,240	3,103,348	6,941,588
8	3,847,851	3,116,203	6,964,054
9	3,906,985	3,163,173	7,070,158
11	3,891,505	3,165,853	7,057,358
12	3,894,859	3,194,383	7,089,242
13	3,902,385	3,170,608	7,072,993
14	3,907,789	3,150,493	7,058,282
15	3,909,424	3,137,158	7,046,582
16	3,921,278	3,137,753	7,059,031
18	3,887,450	3,109,103	6,996,553
19	3,903,356	3,099,863	7,003,219
20	3,894,705	3,090,598	6,985,303
21	3,889,547	3,065,353	6,954,900
22	3,881,308	3,047,478	6,928,786
23	3,912,166	3,053,768	6,965,934
25	3,870,812	3,023,728	6,894,540
26	3,864,564	3,003,788	6,868,352
27	3,868,488	2,979,773	6,848,261
28	3,867,231	2,964,698	6,831,929
29	3,859,643	2,946,118	6,805,761
30	3,875,312	2,966,623	6,841,935
November - 1	3,861,445	2,971,908	6,833,353
2	3,848,628	2,982,533	6,831,161
3	3,846,448	2,991,263	6,837,711
4	3,848,758	2,999,558	6,848,316
5	3,833,218	2,995,188	6,828,406
6	3,866,453	3,023,693	6,890,146
8	3,838,939	3,013,228	6,852,167
9	3,829,162	3,007,243	6,836,405
10	3,824,837	3,004,158	6,828,995
11	3,805,188	2,996,808	6,801,996
12	3,786,531	2,998,423	6,784,954
13	3,797,504	3,021,728	6,819,232
15	3,764,001	2,994,283	6,758,284
16	3,763,640	2,997,728	6,761,368
17	3,744,775	2,972,478	6,717,253
18	Day of Duke of Wellington's funeral.		
19	3,749,562	2,972,898	6,722,460
20	3,751,067	2,978,448	6,729,515
November 22	3,714,510	2,963,168	6,677,678
23	3,704,608	2,956,803	6,661,411
24	3,692,797	2,937,878	6,630,675
25	3,685,606	2,922,308	6,607,914
26	3,688,646	2,917,788	6,606,434
27	3,705,925	2,929,878	6,635,803
29	3,669,125	2,912,568	6,581,693
30	3,668,918	2,919,918	6,588,836
December 1	3,663,007	2,902,033	6,565,040
2	3,666,555	2,906,793	6,573,348
3	3,671,138	2,901,498	6,572,636
4	3,683,514	2,924,743	6,608,257
6	3,655,587	2,908,413	6,564,000
7	3,652,973	2,917,783	6,570,756
8	3,639,154	2,907,183	6,546,337
9	3,642,126	2,909,728	6,551,854
10	3,641,450	2,902,218	6,543,668
11	3,654,812	2,919,633	6,574,445
13	3,629,008	2,908,983	6,537,991
14	3,647,030	2,920,798	6,567,828
15	3,640,498	2,915,183	6,555,681
16	3,649,919	2,921,233	6,571,152
17	3,642,775	2,911,348	6,554,123
18	3,646,449	2,932,223	6,578,672
20	3,620,479	2,902,238	6,522,717
21	3,616,200	2,915,438	6,531,638
22	3,624,115	2,906,823	6,530,938
23	3,639,394	2,910,968	6,550,362
24	3,651,993	2,936,518	6,588,511
25			
27	3,621,236	2,904,153	6,525,389
28	3,628,444	2,909,513	6,537,957
29	3,635,700	2,907,473	6,543,173
30	3,657,666	2,912,328	6,569,994
31	3,665,983	2,902,748	6,568,731
1853:			
January - 1	3,699,936	2,936,453	6,636,389
3	3,719,149	2,944,763	6,663,912
4	3,744,079	2,972,843	6,716,922
5	3,767,466	2,990,003	6,757,469
6	3,791,529	2,996,538	6,788,067
7	3,788,052	3,001,393	6,789,445
8	3,831,949	3,030,728	6,862,677
10	3,821,059	3,022,503	6,843,562
11	3,832,945	3,050,708	6,883,653
12	3,827,676	3,055,903	6,883,579
13	3,845,765	3,053,558	6,899,323
14	3,841,475	3,042,193	6,883,668
15	3,835,967	3,049,783	6,885,750
17	3,821,648	3,026,148	6,847,796
18	3,827,956	3,026,028	6,853,984
19	3,820,241	3,020,338	6,840,579
20	3,838,162	3,004,878	6,843,040
21	3,824,135	2,984,353	6,808,488
22	3,830,100	3,005,218	6,835,318
24	3,802,850	2,997,273	6,800,123
25	3,804,569	3,006,478	6,811,047
26	3,793,090	2,999,638	6,792,728
27	3,800,890	3,006,533	6,807,423
28	3,790,662	2,976,448	6,767,110
29	3,791,706	3,007,313	6,799,019
31	3,757,606	2,981,843	6,739,449
February - 1	3,754,016	2,989,953	6,743,969
2	3,747,589	2,977,173	6,724,762
3	3,737,779	2,972,193	6,709,972
4	3,724,350	2,964,023	6,688,373
5	3,747,831	2,975,258	6,723,089
7	3,716,616	2,957,008	6,673,624

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1853:	£.	£.	£.
February - 8	3,714,971	2,966,428	6,681,399
9	3,715,771	2,959,083	6,674,854
10	3,709,513	2,956,798	6,666,311
11	3,707,550	2,961,293	6,668,843
12	3,705,255	2,971,278	6,676,533
14	3,673,691	2,953,678	6,627,369
15	3,673,016	2,940,793	6,613,809
16	3,666,426	2,940,723	6,607,149
17	3,673,469	2,944,388	6,617,857
18	3,665,848	2,937,688	6,603,536
19	3,667,676	2,964,493	6,632,169
21	3,645,760	2,952,938	6,598,698
22	3,647,604	2,969,208	6,616,812
23	3,637,808	2,953,683	6,591,491
24	3,656,282	2,955,083	6,611,365
25	5,654,037	2,956,773	6,610,810
26	3,656,339	2,982,303	6,638,642
28	3,630,516	2,967,583	6,598,099
March - 1	3,646,197	2,974,168	6,620,365
2	3,652,519	2,980,223	6,632,742
3	3,659,563	2,978,553	6,638,116
4	3,660,972	2,969,468	6,630,440
5	3,675,981	2,993,505	6,669,486
7	3,666,829	2,986,808	6,653,637
8	3,675,738	3,015,908	6,691,646
9	3,681,620	3,014,813	6,696,433
10	3,684,824	3,009,748	6,694,572
11	3,690,664	3,010,443	6,701,107
12	3,703,924	3,043,388	6,747,312
14	3,673,056	3,021,363	6,694,419
15	3,677,626	3,021,248	6,698,874
16	3,685,344	3,015,868	6,701,212
17	3,707,252	3,016,678	6,723,930
18	3,711,619	3,009,828	6,721,447
19	3,736,508	3,048,243	6,784,751
21	3,712,919	3,049,843	6,762,762
22	3,731,473	3,069,973	6,801,446
23	3,748,066	3,074,803	6,822,869
24	3,803,426	3,107,853	6,911,279
25	Good Friday.		
26	3,833,598	3,185,303	7,018,901
28	3,828,939	3,150,308	6,979,247
29	3,827,301	3,154,978	6,982,279
30	3,838,745	3,152,603	6,991,348
31	3,855,568	3,142,358	6,997,926
April - 1	3,878,225	3,154,113	7,032,338
2	3,909,789	3,168,753	7,078,542
4	3,892,233	3,161,833	7,054,066
5	3,921,611	3,177,788	7,099,399
6	3,926,667	3,179,928	7,106,595
7	3,922,215	3,168,598	7,090,813
8	3,917,836	3,151,348	7,069,184
9	3,935,123	3,168,623	7,103,746
11	3,905,267	3,132,413	7,037,680
12	3,903,042	3,122,903	7,025,945
13	3,893,086	3,107,973	7,001,059
14	3,907,538	3,098,338	7,005,876
15	3,902,349	3,083,743	6,986,092
16	3,913,626	3,096,615	7,010,241
18	3,900,380	3,102,658	7,003,038
19	3,911,862	3,125,003	7,036,865
20	3,917,120	3,123,167	7,040,287
21	3,932,846	3,132,928	7,065,774
22	3,931,531	3,128,113	7,059,644
23	3,954,035	3,170,498	7,124,533
25	3,915,369	3,155,703	7,071,072
26	3,917,172	3,167,663	7,084,835
27	3,929,195	3,155,993	7,085,188
28	3,931,782	3,151,083	7,082,865
29	3,918,387	3,141,643	7,060,030
30	3,922,751	3,163,268	7,086,019

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1853:	£.	£.	£.
May - 2	3,898,451	3,145,973	7,044,424
3	3,899,428	3,143,823	7,043,251
4	3,890,974	3,142,193	7,033,167
5	3,905,749	3,140,793	7,046,542
6	3,903,841	3,128,758	7,032,599
7	3,915,042	3,153,678	7,068,720
9	3,879,434	3,110,298	6,989,732
10	3,885,300	3,105,218	6,990,518
11	3,894,718	3,101,678	6,996,396
12	3,896,981	3,101,528	6,998,509
13	3,889,036	3,100,363	6,989,399
14	3,900,876	3,151,733	7,052,609
16	3,873,730	3,147,243	7,020,973
17	3,863,100	3,148,168	7,011,268
18	3,851,637	3,132,673	6,984,310
19	3,848,975	3,131,868	6,980,843
20	3,836,053	3,106,278	6,942,331
21	3,841,504	3,113,803	6,955,307
23	3,791,366	3,084,558	6,875,924
24	3,775,907	3,071,298	6,847,205
25	3,763,919	3,057,268	6,821,187
26	3,752,874	3,043,468	6,796,342
27	3,748,404	3,032,273	6,780,677
28	3,762,000	3,039,858	6,801,858
30	3,719,930	3,009,748	6,729,678
31	3,718,284	3,001,438	6,719,722
June - 1	3,712,427	2,990,093	6,702,520
2	3,714,119	2,987,348	6,701,467
3	3,716,480	2,988,653	6,705,133
4	3,739,178	3,007,783	6,746,961
6	3,697,798	2,992,663	6,690,461
7	3,705,404	2,997,158	6,702,562
8	3,695,140	2,972,543	6,667,683
9	3,687,620	2,970,993	6,658,613
10	3,681,218	2,963,003	6,644,221
11	3,703,053	2,997,978	6,701,031
13	3,675,630	2,987,678	6,663,308
14	3,676,386	3,010,068	6,686,454
15	3,679,159	3,008,463	6,687,622
16	3,685,407	3,008,058	6,693,465
17	3,685,569	3,005,883	6,691,452
18	3,708,847	3,033,323	6,742,170
20	3,679,368	3,018,618	6,697,986
21	3,678,347	3,028,578	6,706,925
22	3,681,978	3,019,483	6,701,461
23	3,689,919	3,009,603	6,699,522
24	3,711,489	3,012,508	6,723,997
25	3,733,317	3,031,928	6,765,245
27	3,694,660	3,010,388	6,705,048
28	3,699,261	3,009,558	6,708,819
29	3,708,343	3,002,503	6,710,846
30	3,707,237	2,996,118	6,703,355
July - 1	3,727,612	3,009,653	6,737,265
2	3,776,411	3,039,103	6,815,514
4	3,753,144	3,024,278	6,777,422
5	3,777,688	3,039,368	6,817,056
6	3,780,843	3,030,628	6,811,471
7	3,777,566	3,031,338	6,808,904
8	3,770,248	3,019,808	6,790,056
9	3,779,514	3,041,388	6,820,902
11	3,759,444	3,045,968	6,805,412
12	3,756,471	3,053,033	6,809,504
13	3,747,857	3,035,358	6,783,215
14	3,747,666	3,035,278	6,782,944
15	3,746,862	3,035,448	6,782,310
16	3,764,375	3,068,033	6,832,408
18	3,730,424	3,044,943	6,775,367
19	3,735,327	3,044,603	6,779,930
20	3,733,130	3,022,663	6,755,793
21	3,730,183	3,020,363	6,750,546

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1853:	£.	£.	£.
July - 22	3,726,225	3,008,448	6,734,673
23	3,735,762	3,026,653	6,762,415
25	3,707,761	2,991,293	6,699,054
26	3,700,669	2,978,893	6,679,562
27	3,690,299	2,960,693	6,650,992
28	3,681,612	2,949,353	6,630,965
29	3,674,869	2,952,958	6,627,827
30	3,701,578	2,963,283	6,664,861
August - 1	3,662,018	2,942,823	6,604,841
2	3,673,040	2,938,468	6,611,508
3	3,660,419	2,927,068	6,587,487
4	3,667,647	2,922,733	6,590,380
5	3,671,263	2,921,218	6,592,481
6	3,695,209	2,964,683	6,659,892
8	3,664,358	2,954,793	6,619,151
9	3,664,865	2,960,563	6,625,428
10	3,654,981	2,955,488	6,610,469
11	3,648,189	2,956,633	6,604,822
12	3,645,657	2,966,968	6,612,625
13	3,670,645	2,998,448	6,669,093
15	3,622,338	2,973,453	6,595,791
16	3,616,532	2,970,788	6,587,320
17	3,615,151	2,958,168	6,573,319
18	3,620,282	2,969,328	6,589,610
19	3,627,967	2,980,903	6,608,870
20	3,670,373	3,019,693	6,690,066
22	3,637,232	2,997,113	6,634,345
23	3,645,107	2,995,338	6,640,445
24	3,642,284	2,979,583	6,621,867
25	3,641,745	2,975,063	6,616,808
26	3,653,202	2,975,723	6,628,925
27	3,682,290	3,017,278	6,699,568
29	3,649,382	3,001,733	6,651,115
30	3,644,528	3,005,853	6,650,381
31	3,643,478	2,997,033	6,640,511
September - 1	3,643,081	2,994,398	6,637,479
2	3,661,068	2,992,168	6,653,236
3	3,696,132	3,035,268	6,731,400
5	3,678,665	3,031,748	6,710,413
6	3,687,001	3,035,748	6,722,749
7	3,684,910	3,025,698	6,710,608
8	3,687,353	3,032,143	6,719,496
9	3,697,330	3,051,388	6,748,718
10	3,731,459	3,091,008	6,822,467
12	3,712,547	3,061,953	6,774,500
13	3,716,526	3,075,483	6,792,009
14	3,727,124	3,057,318	6,784,442
15	3,738,308	3,062,863	6,801,171
16	3,758,127	3,074,468	6,832,595
17	3,794,356	3,104,093	6,898,449
19	3,776,063	3,106,328	6,882,391
20	3,793,727	3,097,443	6,891,170
21	3,807,692	3,079,593	6,887,285
22	3,818,308	3,078,713	6,897,021
23	3,825,877	3,080,308	6,906,185
24	3,870,739	3,109,298	6,980,037
26	3,855,239	3,084,883	6,940,122
27	3,862,636	3,081,993	6,944,629
28	3,877,613	3,086,588	6,964,201
29	3,903,137	3,087,353	6,990,490
30	3,927,153	3,089,093	7,016,246
October - 1	3,982,456	3,130,228	7,112,684
3	3,974,353	3,150,413	7,124,766
4	3,988,386	3,147,048	7,135,434
5	3,987,103	3,147,073	7,134,176
6	4,012,264	3,157,493	7,169,757
7	4,018,071	3,166,163	7,184,234
8	4,070,838	3,201,853	7,272,691
10	4,046,228	3,204,203	7,250,431
October - 11	4,081,202	3,207,953	7,289,155
12	4,085,904	3,207,843	7,293,747
13	4,109,965	3,201,058	7,311,023
14	4,096,862	3,210,238	7,307,100
15	4,132,781	3,214,618	7,347,399
17	4,090,482	3,186,798	7,277,280
18	4,104,559	3,177,123	7,281,682
19	4,085,361	3,169,413	7,254,774
20	4,114,090	3,167,758	7,281,848
21	4,093,317	3,151,158	7,244,475
22	4,119,895	3,150,108	7,270,003
24	4,089,259	3,135,493	7,224,752
25	4,082,995	3,129,938	7,212,933
26	4,073,420	3,113,208	7,186,628
27	4,062,594	3,105,203	7,167,797
28	4,063,711	3,087,188	7,150,899
29	4,082,804	3,121,623	7,204,427
31	4,036,791	3,100,598	7,137,389
November 1	4,041,522	3,103,238	7,144,760
2	4,033,103	3,090,533	7,123,636
3	4,042,583	3,109,888	7,152,471
4	4,035,349	3,107,623	7,142,972
5	4,049,572	3,147,858	7,197,430
7	4,008,422	3,127,288	7,135,710
8	4,001,408	3,141,418	7,142,826
9	3,998,687	3,131,123	7,129,810
10	3,993,964	3,142,753	7,136,717
11	3,967,649	3,139,073	7,106,722
12	3,981,154	3,173,583	7,154,737
14	3,939,105	3,140,618	7,079,723
15	3,940,028	3,140,823	7,080,851
16	3,932,932	3,124,923	7,057,855
17	3,944,071	3,121,948	7,066,019
18	3,925,517	3,110,038	7,035,555
19	3,944,700	3,138,578	7,083,278
21	3,905,052	3,115,813	7,020,865
22	3,902,365	3,118,073	7,020,438
23	3,898,667	3,105,948	7,004,615
24	3,890,490	3,094,108	6,984,598
25	3,894,555	3,076,993	6,971,548
26	3,907,834	3,098,578	7,006,412
28	3,879,924	3,085,493	6,965,417
29	3,863,978	3,085,218	6,949,196
30	3,860,547	3,070,718	6,931,265
December - 1	3,866,918	3,074,378	6,941,296
2	3,864,893	3,077,563	6,942,456
3	3,888,508	3,097,213	6,985,721
5	3,847,869	3,073,863	6,921,732
6	3,853,235	3,085,568	6,938,803
7	3,843,193	3,064,718	6,907,911
8	3,835,790	3,060,673	6,896,463
9	3,825,907	3,051,538	6,877,445
10	3,837,096	3,058,048	6,895,144
12	3,811,169	3,036,127	6,847,296
13	3,821,398	3,052,373	6,873,771
14	3,819,740	3,050,033	6,869,773
15	3,822,836	3,037,238	6,860,074
16	3,812,106	3,033,133	6,845,239
17	3,815,965	3,051,028	6,866,993
19	3,792,676	3,031,098	6,823,774
20	3,794,612	3,030,513	6,825,125
21	3,800,300	3,035,018	6,835,318
22	3,799,669	3,022,978	6,822,647
23	3,808,992	3,015,563	6,824,555
24	3,844,406	3,066,558	6,910,964
26	3,821,829	3,054,158	6,875,987
27	3,826,102	3,051,628	6,877,730
28	3,826,753	3,032,593	6,859,346
29	3,834,357	3,032,548	6,866,905
30	3,834,254	3,017,608	6,851,862
31	3,858,036	3,029,148	6,887,184

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1854:	£.	£.	£.
January 2	3,862,074	3,032,958	6,895,032
3	3,878,668	3,049,038	6,927,706
4	3,892,688	3,051,158	6,943,846
5	3,899,467	3,054,308	6,953,775
6	3,923,369	3,073,258	6,996,627
7	3,944,397	3,102,213	7,046,610
9	3,939,315	3,094,868	7,034,183
10	3,951,535	3,129,028	7,010,563
11	3,972,047	3,150,823	7,122,870
12	3,978,489	3,148,358	7,126,847
13	3,983,463	3,127,023	7,110,486
14	3,990,600	3,146,333	7,136,933
16	3,949,764	3,110,318	7,060,082
17	3,941,607	3,099,393	7,041,000
18	3,950,616	3,093,738	7,044,354
19	3,962,619	3,099,123	7,061,742
20	3,954,588	3,074,018	7,028,606
21	3,974,291	3,101,918	7,076,209
23	3,939,486	3,076,783	7,016,269
24	3,931,264	3,077,218	7,008,482
25	3,943,062	3,077,158	7,020,220
26	3,955,871	3,077,738	7,033,609
27	3,938,060	3,061,963	7,000,023
28	3,948,408	3,093,638	7,042,046
30	3,914,093	3,062,828	6,976,921
31	3,906,337	3,057,333	6,963,670
February 1	3,911,629	3,053,298	6,964,927
2	3,927,978	3,053,053	6,981,031
3	3,917,932	3,044,168	6,962,100
4	3,939,942	3,080,973	7,020,915
6	3,903,165	3,065,308	6,968,473
7	3,887,161	3,056,783	6,943,944
8	3,877,664	3,043,308	6,920,972
9	3,873,952	3,038,648	6,912,600
10	3,863,535	3,048,423	6,911,958
11	3,875,206	3,068,238	6,943,444
13	3,852,998	3,052,868	6,905,866
14	3,850,135	3,055,188	6,905,323
15	3,840,614	3,049,978	6,890,592
16	3,839,906	3,044,038	6,883,944
17	3,831,367	3,024,213	6,855,580
18	3,836,352	3,040,398	6,876,750
20	3,814,108	3,041,643	6,855,751
21	3,818,211	3,054,008	6,872,219
22	3,814,072	3,047,223	6,861,295
23	3,814,129	3,052,483	6,866,612
24	3,813,666	3,045,638	6,859,304
25	3,833,677	3,089,628	6,923,305
27	3,804,787	3,062,718	6,867,505
28	3,799,935	3,063,943	6,863,878
March 1	3,811,574	3,057,928	6,869,502
2	3,826,667	3,069,423	6,896,090
3	3,815,262	3,058,813	6,874,075
4	3,846,873	3,099,533	6,946,406
6	3,829,643	3,092,958	6,922,601
7	3,830,506	3,086,803	6,917,309
8	3,819,863	3,080,883	6,900,746
9	3,817,835	3,081,758	6,899,593
10	3,799,098	3,072,728	6,871,376
11	3,824,020	3,116,883	6,940,903
13	3,798,281	3,090,058	6,888,339
14	3,785,564	3,094,213	6,879,777
15	3,778,103	3,085,253	6,863,356
16	3,784,838	3,089,303	6,874,141
17	3,790,854	3,080,818	6,871,672
18	3,812,939	3,119,653	6,932,592
20	3,782,082	3,122,293	6,904,375
21	3,798,625	3,130,608	6,929,233
22	3,790,256	3,124,113	6,914,369
23	3,807,108	3,129,913	6,937,021
March 24	3,812,980	3,132,463	6,945,443
25	3,857,235	3,186,133	7,043,368
27	3,846,750	3,177,273	7,024,023
28	3,855,679	3,187,503	7,043,182
29	3,860,876	3,180,513	7,041,389
30	3,874,699	3,175,293	7,049,992
31	3,879,283	3,168,508	7,047,791
April 1	3,930,527	3,195,563	7,126,090
3	3,914,867	3,181,433	7,096,300
4	3,931,681	3,176,958	7,108,639
5	3,958,497	3,177,968	7,136,465
6	3,959,412	3,167,603	7,127,015
7	3,963,000	3,160,633	7,123,633
8	3,994,732	3,154,613	7,149,345
10	3,957,663	3,123,178	7,080,841
11	3,958,858	3,126,863	7,085,721
12	3,945,071	3,123,753	7,068,824
13	3,976,775	3,114,378	7,091,153
14	Good Friday.		
15	4,012,669	3,138,468	7,151,137
17	3,965,047	3,136,293	7,101,340
18	3,975,829	3,136,843	7,112,672
19	3,968,782	3,140,253	7,109,035
20	3,984,996	3,153,438	7,138,434
21	3,972,549	3,158,918	7,131,467
22	4,001,946	3,180,563	7,182,509
24	3,968,770	3,160,523	7,129,293
25	3,968,645	3,149,823	7,118,468
26	Humiliation Day.		
27	3,971,751	3,148,453	7,120,204
28	3,956,424	3,124,613	7,081,037
29	3,978,600	3,148,793	7,127,393
May 1	3,944,474	3,136,508	7,080,982
2	3,958,759	3,133,458	7,092,217
3	3,942,423	3,131,023	7,073,446
4	3,936,165	3,116,748	7,052,913
5	3,933,626	3,107,408	7,041,034
6	3,956,418	3,141,083	7,097,501
8	3,910,729	3,110,913	7,021,642
9	3,907,675	3,116,073	7,023,748
10	3,903,722	3,107,208	7,010,930
11	3,901,616	3,096,333	6,997,949
12	3,903,214	3,109,663	7,012,877
13	3,911,691	3,148,878	7,060,569
15	3,869,358	3,138,528	7,007,886
16	3,860,693	3,129,003	6,989,696
17	3,836,969	3,108,473	6,945,442
18	3,826,667	3,094,993	6,921,660
19	3,807,228	3,077,468	6,884,696
20	3,825,244	3,093,393	6,918,637
22	3,774,626	3,044,913	6,819,539
23	3,770,246	3,038,623	6,808,869
24	3,758,021	3,027,478	6,785,499
25	3,761,431	3,024,583	6,786,014
26	3,757,180	3,013,743	6,770,923
27	3,773,772	3,031,888	6,805,660
29	3,736,202	3,002,603	6,738,805
30	3,735,008	2,997,768	6,732,776
31	3,726,830	2,981,628	6,708,458
June 1	3,725,048	2,992,188	6,717,236
2	3,727,226	2,976,258	6,703,484
3	3,754,619	3,012,133	6,766,752
5	3,720,163	2,990,273	6,710,436
6	3,722,146	2,977,638	6,699,784
7	3,702,433	2,959,838	6,662,271
8	3,691,253	2,956,033	6,647,286
9	3,679,587	2,936,978	6,616,565
10	3,684,982	2,951,458	6,636,440
12	3,649,249	2,947,928	6,597,177

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1854:	£.	£.	£.
June - 13	3,640,394	2,962,098	6,602,492
14	3,638,092	2,940,563	6,578,655
15	3,625,901	2,950,038	6,575,939
16	3,629,280	2,944,408	6,573,688
17	3,642,507	2,967,368	6,609,875
19	3,613,948	2,944,973	6,558,921
20	3,622,855	2,937,068	6,559,928
21	3,621,331	2,922,913	6,544,244
22	3,605,178	2,933,623	6,538,801
23	3,599,749	2,916,668	6,516,417
24	3,629,436	2,950,523	6,579,959
26	3,592,677	2,919,363	6,512,040
27	3,586,447	2,919,453	6,505,900
28	3,586,294	2,902,123	6,488,417
29	3,605,565	2,899,028	6,504,593
30	3,612,749	2,879,893	6,492,642
July - 1	3,647,308	2,941,288	6,588,596
3	3,629,694	2,919,508	6,549,202
4	3,635,466	2,924,823	6,560,289
5	3,641,522	2,920,313	6,561,835
6	3,644,173	2,923,708	6,567,881
7	3,632,359	2,922,073	6,554,432
8	3,649,813	2,940,723	6,590,536
10	3,626,185	2,928,248	6,554,433
11	3,625,759	2,938,223	6,563,982
12	3,609,148	2,921,578	6,530,726
13	3,613,379	2,924,253	6,537,632
14	3,601,779	2,919,073	6,520,852
15	3,624,286	2,950,173	6,574,459
17	3,595,235	2,940,893	6,536,128
18	3,603,635	2,925,568	6,529,203
19	3,594,637	2,911,893	6,506,530
20	3,590,552	2,906,028	6,496,580
21	3,580,818	2,885,238	6,466,056
22	3,603,804	2,908,308	6,512,112
24	3,567,670	2,874,548	6,442,218
25	3,552,970	2,874,333	6,427,303
26	3,545,918	2,852,048	6,397,966
27	3,541,915	2,852,248	6,394,163
28	3,535,317	2,837,298	6,372,615
29	3,555,160	2,870,638	6,425,798
31	3,524,631	2,838,043	6,362,674
August - 1	3,529,401	2,837,753	6,367,154
2	3,521,117	2,825,963	6,347,080
3	3,510,883	2,820,953	6,331,836
4	3,498,372	2,803,423	6,301,795
5	3,540,687	2,851,903	6,392,590
7	3,506,920	2,836,348	6,343,268
8	3,497,092	2,848,833	6,345,925
9	3,494,984	2,838,238	6,333,222
10	3,487,079	2,834,208	6,321,287
11	3,497,219	2,841,968	6,339,187
12	3,512,505	2,887,093	6,399,598
14	3,477,799	2,858,273	6,336,072
15	3,468,325	2,848,998	6,317,323
16	3,459,947	2,833,403	6,293,350
17	3,466,664	2,836,313	6,302,977
18	3,475,478	2,829,038	6,304,516
19	3,502,984	2,875,243	6,378,227
21	3,482,865	2,856,213	6,339,078
22	3,477,548	2,854,753	6,332,301
23	3,468,771	2,832,868	6,301,639
24	3,471,582	2,845,373	6,316,955
25	3,478,693	2,835,203	6,313,896
26	3,509,849	2,888,728	6,398,577
28	3,479,002	2,872,933	6,351,935
29	3,472,161	2,863,128	6,335,289
30	3,470,236	2,862,113	6,332,349
31	3,473,455	2,863,168	6,336,623
September 1	3,486,463	2,859,068	6,345,531
2	3,525,225	2,892,878	6,418,103
4	3,506,993	2,876,453	6,383,446
5	3,508,593	2,877,338	6,385,931
6	3,514,372	2,881,248	6,395,620
7	3,517,817	2,887,348	6,405,165
8	3,515,437	2,909,818	6,425,255
9	3,553,988	2,949,278	6,503,266
11	3,545,684	2,940,063	6,485,747
12	3,538,107	2,952,213	6,490,320
13	3,536,900	2,935,723	6,472,623
14	3,540,030	2,949,018	6,489,048
15	3,550,950	2,951,473	6,502,423
16	3,595,169	2,989,148	6,584,317
18	3,578,857	2,982,553	6,561,410
19	3,587,790	3,003,148	6,590,938
20	3,591,982	2,985,403	6,577,385
21	3,608,486	3,000,783	6,609,269
22	3,612,686	3,005,793	6,618,479
23	3,664,570	3,039,018	6,703,588
25	3,653,916	3,029,808	6,683,724
26	3,664,161	3,033,658	6,697,819
27	3,685,598	3,039,883	6,725,481
28	3,726,301	3,047,868	6,774,169
29	3,764,571	3,091,388	6,855,959
30	3,836,110	3,147,253	6,983,363
October - 2	3,831,949	3,143,458	6,975,407
3	3,854,845	3,154,873	7,009,718
4	3,851,610	3,139,643	6,991,253
5	3,874,201	3,131,733	7,005,934
6	3,873,729	3,127,453	7,001,182
7	3,962,978	3,155,423	7,118,401
9	3,947,041	3,142,688	7,089,729
10	3,974,654	3,168,218	7,142,872
11	3,996,569	3,169,303	7,165,872
12	4,026,597	3,163,443	7,190,040
13	4,019,158	3,150,058	7,169,216
14	4,060,119	3,160,398	7,220,517
16	4,015,828	3,131,788	7,147,616
17	4,010,983	3,127,143	7,138,126
18	3,991,929	3,125,538	7,117,467
19	4,005,073	3,129,143	7,134,216
20	3,999,054	3,125,513	7,124,567
21	4,011,427	3,153,373	7,164,800
23	3,985,959	3,136,433	7,122,392
24	3,987,704	3,133,123	7,120,827
25	3,977,933	3,116,368	7,094,301
26	3,982,058	3,116,568	7,098,626
27	3,980,256	3,111,393	7,091,649
28	4,001,166	3,141,313	7,142,479
30	3,972,464	3,142,763	7,115,227
31	3,977,279	3,145,648	7,122,927
November 1	3,979,915	3,152,298	7,132,213
2	3,996,028	3,160,428	7,156,456
3	3,986,552	3,157,319	7,143,871
4	4,021,567	3,181,058	7,202,625
6	3,983,478	3,174,558	7,158,036
7	3,985,776	3,173,868	7,159,644
8	3,978,118	3,162,248	7,140,366
9	3,978,175	3,164,928	7,143,103
10	3,964,211	3,164,263	7,128,474
11	3,987,575	3,172,708	7,160,283
13	3,930,630	3,143,828	7,074,458
14	3,927,676	3,137,348	7,065,024
15	3,920,493	3,126,823	7,047,316
16	3,919,659	3,117,948	7,037,607
17	3,913,371	3,108,618	7,021,989
18	3,946,789	3,121,568	7,068,357
20	3,898,608	3,108,332	7,006,941
21	3,892,880	3,098,688	6,991,568

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1854:	£.	£.	£.
November - 22	3,887,033	3,093,498	6,980,531
23	3,896,683	3,092,693	6,989,376
24	3,896,933	3,086,178	6,983.111
25	3,920,416	3,111,768	7,032,184
27	3,889,447	3,098,953	6,988,400
28	3,882,777	3,100,668	6,983,445
29	3,876,718	3,093,098	6,969,816
30	3,883,598	3,091,898	6,975,496
December - 1	3,870,877	3,080,393	6,951,270
2	3,909,342	3,110,978	7,020,320
4	3,862,128	3,080,953	6,943,081
5	3,850,922	3,085,773	6,936,695
6	3,851,782	3,077,253	6,929,035
7	3,850,134	3,073,133	6,923,267
8	3,831,934	3,060,523	6,892,457
9	3,857,671	3,086,893	6,944,564
11	3,840,625	3,062,668	6,903,293
12	3,834,349	3,076,288	6,910,637
13	3,825,982	3,054,213	6,880,195
14	3,823,848	3,048,378	6,872,226
15	3,812,489	3,037,338	6,849,827
16	3,834,648	3,068,523	6,903,171
18	3,805,704	3,049,878	6,855,582
19	3,818,971	3,055,053	6,874,024
20	3,818,337	3,050,578	6,868,915
21	3,833,259	3,056,068	6,889,327
22	3,839,173	3,052,798	6,891,971
23	3,870,625	3,093,838	6,964,463
25			
26	3,856,561	3,069,258	6,925,819
27	3,844,670	3,044,503	6,889,173
28	3,858,505	3,050,753	6,909,258
29	3,858,606	3,044,718	6,903,324
30	3,899,259	3,050,183	6,949,442
1855:			
January - 1	3,891,317	3,053,638	6,944,955
2	3,923,377	3,079,768	7,003,145
3	3,936,118	3,091,863	7,027,981
4	3,951,070	3,102,269	7,053,339
5	3,960,446	3,107,113	7,067,559
6	4,003,683	3,158,963	7,162,646
8	3,978,371	3,143,548	7,121,919
9	3,994,319	3,170,843	7,165,162
10	3,989,954	3,157,978	7,147,932
11	4,004,942	3,145,508	7,150,450
12	4,005,125	3,140,638	7,145,763
13	4,012,597	3,157,663	7,170,260
15	3,979,250	3,134,878	7,114,128
16	3,972,978	3,129,683	7,102,661
17	3,957,087	3,113,478	7,070,565
18	3,953,909	3,091,818	7,045,727
19	3,946,308	3,075,288	7,021,596
20	3,954,435	3,096,588	7,051,023
22	3,905,573	3,067,688	6,973,261
23	3,903,031	3,056,003	6,959,034
24	3,900,599	3,042,793	6,943,392
25	3,903,793	3,047,033	6,950,826
26	3,883,777	3,035,088	6,918,865
27	3,891,408	3,042,743	6,934,151
29	3,846,934	3,010,678	6,857,612
30	3,840,728	2,999,413	6,840,141
31	3,822,751	2,984,363	6,807,114
February - 1	3,818,545	2,989,408	6,807,953
2	3,804,842	2,986,893	6,791,753
3	3,805,429	2,994,846	6,800,277
5	3,773,778	2,976,328	6,750,106
6	3,784,032	2,976,553	6,760,585
7	3,783,888	2,977,583	6,761,471
8	3,770,982	2,978,618	6,749,600
9	3,768,981	2,979,143	6,748,124
10	3,773,853	2,991,673	6,765,526
12	3,746,491	2,996,158	6,742,649
13	3,759,898	3,008,773	6,768,671
14	3,754,476	3,000,183	6,754,659
15	3,760,871	3,009,553	6,770,424
16	3,743,988	2,992,488	6,736,476
17	3,760,515	3,010,853	6,771,368
19	3,723,140	2,991,783	6,714,923
20	3,723,534	2,994,368	6,717,902
21	3,727,213	2,986,553	6,713,766
22	3,732,498	2,986,263	6,718,761
23	3,717,356	2,976,023	6,693,379
24	3,740,731	3,004,653	6,745,384
26	3,706,933	2,989,303	6,696,236
27	3,721,248	2,989,253	6,710,501
28	3,722,106	2,991,308	6,713,414
March - 1	3,739,352	3,002,043	6,741,395
2	3,748,109	2,994,233	6,742,342
3	3,765,385	3,035,403	6,800,788
5	3,740,583	3,036,573	6,777,156
6	3,757,094	3,036,158	6,793,252
7	3,757,748	3,033,863	6,791,611
8	3,765,413	3,035,893	6,801,306
9	3,762,205	3,037,878	6,800,083
10	3,776,654	3,068,878	6,845,532
12	3,749,186	3,043,113	6,792,299
13	3,750,740	3,060,903	6,811,643
14	3,746,348	3,048,808	6,795,156
15	3,759,208	3,058,038	6,817,246
16	3,755,763	3,046,658	6,802,421
17	3,783,767	3,080,763	6,864,530
19	3,763,322	3,082,098	6,845,420
20	3,788,429	3,104,358	6,892,787
21	Humiliation Day.		
22	3,801,493	3,127,223	6,928,717
23	3,816,952	3,125,743	6,942,695
24	3,853,611	3,165,678	7,019,289
26	3,831,311	3,161,743	6,993,054
27	3,860,980	3,160,013	7,020,993
28	3,865,786	3,158,418	7,024,204
29	3,880,570	3,152,343	7,032,913
30	3,900,075	3,140,873	7,040,948
31	3,934,296	3,177,160	7,111,456
April - 2	3,932,216	3,171,798	7,104,014
3	3,951,599	3,173,489	7,125,088
4	3,969,186	3,164,928	7,134,114
5	3,992,150	3,169,553	7,161,703
6	Good Friday.		
7	4,028,412	3,190,933	7,219,345
9	3,985,990	3,161,718	7,147,708
10	3,987,443	3,164,748	7,152,191
11	3,984,330	3,152,173	7,136,503
12	3,997,888	3,149,348	7,147,236
13	3,990,010	3,143,508	7,133,518
14	4,012,974	3,159,233	7,172,207
16	3,977,334	3,169,123	7,146,457
17	3,983,597	3,178,083	7,161,680
18	3,965,914	3,164,053	7,129,967
19	3,978,279	3,175,678	7,153,957
20	3,970,159	3,162,883	7,133,042
21	3,992,364	3,189,868	7,182,232
23	3,951,306	3,169,908	7,121,214
24	3,952,859	3,178,688	7,131,547
25	3,936,337	3,162,348	7,098,685
26	3,944,109	3,157,448	7,101,557
27	3,938,617	3,154,563	7,093,180
28	3,967,664	3,181,888	7,149,552
30	3,927,153	3,156,763	7,083,916

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.	DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1855:	£.	£.	£.	1855:	£.	£.	£.
May - 1	3,951,116	3,163,538	7,114,654	July - 21	3,758,303	2,978,278	6,736,581
2	3,931,857	3,150,738	7,082,595	23	3,720,496	2,953,823	6,674,319
3	3,930,447	3,133,708	7,064,155	24	3,717,578	2,930,858	6,648,431
4	3,915,638	3,114,903	7,030,541	25	3,700,628	2,907,703	6,608,331
5	3,937,524	3,144,288	7,081,812	26	3,701,626	2,896,638	6,598,264
7	3,893,842	3,127,333	7,021,175	27	3,683,201	2,894,588	6,577,789
8	3,899,525	3,130,578	7,030,103	28	3,708,612	2,917,288	6,625,900
9	3,883,442	3,118,868	7,002,310	30	3,675,295	2,884,023	6,559,318
10	3,885,830	3,104,748	6,990,578	31	3,649,321	2,873,313	6,522,634
11	3,889,206	3,106,878	6,996,084				
12	3,923,720	3,150,713	7,074,433	August - 1	3,643,040	2,874,318	6,517,358
14	3,896,087	3,150,063	7,046,150	2	3,648,495	2,869,574	6,518,069
15	3,903,251	3,161,983	7,065,234	3	3,636,892	2,855,823	6,492,715
16	3,895,360	3,141,823	7,037,183	4	3,652,281	2,883,328	6,535,609
17	3,892,770	3,131,743	7,024,513	6	3,626,790	2,871,728	6,498,518
18	3,884,725	3,120,118	7,004,843	7	3,630,506	2,876,448	6,506,954
19	3,894,813	3,133,673	7,028,486	8	3,621,794	2,854,833	6,476,627
21	3,868,188	3,104,143	6,972,331	9	3,620,194	2,866,948	6,487,142
22	3,860,736	3,109,618	6,970,354	10	3,602,281	2,861,598	6,463,879
23	3,841,002	3,095,613	6,936,615	11	3,616,919	2,900,473	6,517,392
24	3,838,843	3,081,828	6,920,671	13	3,584,970	2,879,448	6,464,418
25	3,835,708	3,076,518	6,912,226	14	3,591,400	2,890,318	6,481,718
26	3,856,798	3,089,917	6,946,715	15	3,586,977	2,880,473	6,467,450
28	3,812,806	3,071,323	6,884,129	16	3,597,117	2,887,133	6,484,250
29	3,806,964	3,057,148	6,864,112	17	3,592,788	2,886,718	6,479,506
30	3,791,148	3,039,853	6,831,001	18	3,620,163	2,915,168	6,535,331
31	3,775,325	3,028,188	6,803,513	20	3,594,121	2,899,493	6,493,614
				21	3,601,922	2,915,178	6,517,100
June - 1	3,798,306	3,016,083	6,814,389	22	3,600,472	2,902,798	6,503,270
2	3,817,872	3,049,313	6,867,185	23	3,604,069	2,909,268	6,513,337
4	3,785,698	3,023,618	6,809,316	24	3,607,377	2,914,323	6,521,700
5	3,780,523	3,019,353	6,799,876	25	3,634,417	2,947,328	6,581,745
6	3,769,715	3,006,273	6,775,988	27	3,607,143	2,938,178	6,545,321
7	3,773,509	3,009,738	6,783,247	28	3,599,156	2,932,778	6,531,934
8	3,763,852	2,988,858	6,752,710	29	3,592,656	2,920,908	6,513,564
9	3,794,899	3,005,758	6,800,657	30	3,589,246	2,925,053	6,514,299
11	3,754,927	2,985,433	6,740,360	31	3,591,484	2,910,198	6,501,682
12	3,761,216	2,995,638	6,756,854				
13	3,750,560	2,982,423	6,732,983	September 1	3,629,323	2,937,153	6,566,476
14	3,741,321	2,986,453	6,727,774	3	3,609,326	2,927,113	6,536,439
15	3,742,010	2,982,668	6,724,678	4	3,614,137	2,931,713	6,545,850
16	3,771.952	3,003,968	6,775,920	5	3,610,537	2,922,853	6,533,390
18	3,740,100	2,994,983	6,735,083	6	3,617,622	2,922,458	6,540,080
19	3,758,559	3,001,513	6,760,072	7	3,614,361	2,929,663	6,544,024
20	3,750,666	2,985,203	6,735,869	8	3,654,316	2,982,708	6,637,024
21	3,758,851	3,004,533	6,763,384	10	3,636,696	2,980,883	6,617,579
22	3,762,830	2,990,808	6,753,638	11	3,637,607	2,995,403	6,633,010
23	3,792,018	3,029,563	6,821,681	12	3,641,750	2,996,703	6,638,453
25	3,764,201	3,023,683	6,787,884	13	3,650,722	3,003,453	6,654,175
26	3,765,134	3,022,243	6,787,377	14	3,669,419	3,007,393	6,676,812
27	3,760,364	2,999,482	6,759,846	15	3,712,838	3,039,868	6,752,706
28	3,767,381	3,002,628	6,770,009	17	3,696,023	3,033,588	6,729,611
29	3,783,163	3,008,858	6,792,021	18	3,707,888	3,056,613	6,764,501
30	3,806,998	3,027,568	6,834,566	19	3,717,974	3,064,143	6,782,117
				20	3,730,231	3,068,253	6,798,484
July - 2	3,800,977	3,026,648	6,827,625	21	3,739,015	3,068,088	6,807,103
3	3,809,601	3,032,823	6,842,424	22	3,799,341	3,087,398	6,886,739
4	3,816,609	3,036,418	6,853,027	24	3,787,118	3,073,608	6,860,726
5	3,826,415	3,045,078	6,871,493	25	3,788,219	3,073,233	6,861,452
6	3,816,206	3,032,173	6,848,379	26	3,802,534	3,074,818	6,877,352
7	3,841,345	3,051,738	6,893,083	27	3,841,084	3,081,873	6,922,957
9	3,810,635	3,032,821	6,843,456	28	3,870,374	3,077,398	6,947,772
10	3,815,400	3,061,798	6,877,196	29	3,954,900	3,130,393	7,085,293
11	3,808,848	3,054,678	6,863,528				
12	3,818,183	3,057,248	6,875,431	October - 1	3,962,678	3,140,038	7,102,716
13	3,807,108	3,053,083	6,860,191	2	3,993,760	3,150,888	7,144,648
14	3,826,985	3,056,038	6,883,023	3	3,997,832	3,153,898	7,151,730
16	3,794,152	3,030,658	6,824,810	4	4,023,747	3,148,998	7,172,745
17	3,793,403	3,033,853	6,827,256	5	4,032,551	3,146,283	7,178,834
18	3,776,719	3,010,418	6,787,137	6	4,099,754	3,205,518	7,305,272
19	3,747,965	2,994,168	6,742,133	8	4,055,134	3,185,473	7,240,607
20	3,741,240	2,978,243	6,719,483	9	4,076,312	3,202,628	7,278,940

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1855:	£.	£.	£.
October - 10	4,116,429	3,211,473	7,327,902
11	4,150,649	3,220,838	7,371,487
12	4,144,396	3,214,453	7,358,849
13	4,172,988	3,219,393	7,392,381
15	4,130,516	3,200,628	7,331,144
16	4,129,463	3,193,408	7,322,871
17	4,118,583	3,179,253	7,297,863
18	4,113,062	3,164,748	7,277,810
19	4,091,146	3,153,118	7,244,264
20	4,104,218	3,160,908	7,265,126
22	4,061,948	3,125,003	7,186,951
23	4,044,786	3,110,203	7,154,989
24	4,033,991	3,093,763	7,127,754
25	4,033,020	3,073,473	7,106,493
26	4,021,272	3,063,403	7,084,675
27	4,067,176	3,111,678	7,178,854
29	4,039,525	3,100,088	7,139,613
30	4,030,585	3,098,363	7,128,948
31	4,017,574	3,086,163	7,103,737
November - 1	4,045,825	3,107,273	7,153,098
2	4,031,379	3,103,263	7,134,642
3	4,067,322	3,148,808	7,216,130
5	4,041,246	3,134,073	7,175,319
6	4,022,097	3,126,908	7,149,005
7	3,998,081	3,123,108	7,121,189
8	3,995,596	3,118,603	7,114,199
9	3,984,940	3,126,173	7,111,113
10	4,011,832	3,166,528	7,178,360
12	3,972,475	3,134,823	7,107,298
13	3,952,795	3,137,873	7,090,668
14	3,952,390	3,120,768	7,073,158
15	3,959,192	3,116,778	7,075,970
16	3,942,142	3,116,983	7,059,125
17	3,969,920	3,144,198	7,114,118
19	3,927,400	3,120,533	7,047,933
20	3,921,801	3,107,703	7,029,504
21	3,910,679	3,107,338	7,018,017
22	3,918,557	3,109,968	7,028,525
23	3,913,904	3,108,103	7,022,007
24	3,934,162	3,128,223	7,062,385
26	3,891,630	3,101,133	6,992,763
27	3,890,152	3,095,343	6,985,495
28	3,869,693	3,093,368	6,963,061
29	3,867,563	3,092,313	6,959,876
30	3,848,729	3,073,003	6,921,732
December - 1	3,891,132	3,121,513	7,012,645
3	3,852,611	3,098,938	6,951,549
4	3,847,403	3,090,083	6,937,486
5	3,837,780	3,068,278	6,906,058
6	3,839,720	3,058,513	6,898,233
7	3,826,105	3,036,743	6,862,848
8	3,861,930	3,049,063	6,910,993
10	3,824,792	3,033,663	6,858,455
11	3,839,996	3,044,793	6,884,789
12	3,838,289	3,024,553	6,862,842
13	3,832,005	3,029,113	6,861,118
14	3,809,989	3,026,223	6,836,212
15	3,838,980	3,054,568	6,893,548
17	3,805,300	3,034,203	6,839,503
18	3,807,676	3,031,248	6,838,924
19	3,799,406	3,028,033	6,827,439
20	3,819,257	3,030,703	6,849,960
21	3,823,469	3,021,483	6,844,952
22	3,864,233	3,059,623	6,923,856
24	3,829,271	3,059,413	6,888,684
25			
26	3,825,600	3,042,568	6,868,168
27	3,833,571	3,036,133	6,869,704
28	3,840,947	3,037,943	6,878,890
29	3,874,283	3,039,618	6,913,901
31	3,851,284	3,015,853	6,867,137

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1856:	£.	£.	£.
January - 1	3,872,384	3,033,138	6,905,522
2	3,890,285	3,052,658	6,942,943
3	3,909,552	3,060,808	6,970,360
4	3,914,535	3,061,853	6,976,388
5	3,952,060	3,111,193	7,063,253
7	3,941,893	3,119,768	7,061,661
8	3,967,233	3,133,238	7,100,471
9	3,964,656	3,131,518	7,096,174
10	3,992,936	3,121,058	7,113,994
11	3,979,595	3,121,598	7,101,193
12	4,003,555	3,145,008	7,148,563
14	3,967,941	3,111,479	7,079,420
15	3,966,499	3,112,138	7,078,637
16	3,946,901	3,092,248	7,039,149
17	3,930,663	3,091,333	7,021,996
18	3,912,446	3,070,593	6,983,039
19	3,934,566	3,087,463	7,022,029
21	3,886,819	3,053,170	6,939,989
22	3,905,359	3,045,168	6,950,527
23	3,894,132	3,038,498	6,932,630
24	3,888,264	3,031,028	6,919,292
25	3,881,386	3,010,543	6,891,929
26	3,897,279	3,027,298	6,924,527
28	3,850,644	3,002,148	6,852,792
29	3,837,948	2,984,313	6,822,261
30	3,825,950	2,975,818	6,801,768
31	3,817,985	2,963,523	6,781,508
February - 1	3,803,860	2,952,538	6,756,398
2	3,832,363	3,001,638	6,834,001
4	3,778,183	2,965,393	6,743,576
5	3,784,478	2,957,338	6,741,816
6	3,756,363	2,937,368	6,693,731
7	3,749,455	2,945,308	6,694,763
8	3,733,533	2,941,543	6,675,076
9	3,759,213	2,973,283	6,732,496
11	3,717,924	2,946,633	6,664,557
12	3,713,401	2,946,088	6,659,489
13	3,704,221	2,946,653	6,650,874
14	3,711,098	2,951,583	6,662,681
15	3,709,675	2,958,473	6,668,148
16	3,726,067	2,979,698	6,705,765
18	3,688,877	2,963,053	6,651,930
19	3,683,736	2,959,568	6,643,304
20	3,672,764	2,955,068	6,627,832
21	3,672,998	2,957,413	6,630,411
22	3,668,423	2,956,343	6,624,766
23	3,693,752	2,976,373	6,670,125
25	3,662,116	2,959,148	6,621,264
26	3,668,449	2,959,748	6,628,197
27	3,659,721	2,951,013	6,610,734
28	3,672,917	2,955,308	6,628,225
29	3,672,771	2,957,998	6,630,769
March - 1	3,715,410	3,020,248	6,735,658
3	3,696,288	3,000,723	6,697,011
4	3,703,108	3,002,183	6,705,291
5	3,698,425	2,999,468	6,697,893
6	3,708,790	3,004,293	6,713,083
7	3,707,833	3,004,373	6,712,206
8	3,733,403	3,043,198	6,776,601
10	3,690,179	3,018,603	6,708,782
11	3,704,440	3,027,138	6,731,578
12	3,688,293	3,028,993	6,717,286
13	3,703,233	3,033,428	6,736,661
14	3,705,295	3,044,128	6,749,423
15	3,739,450	3,070,853	6,810,303
17	3,711,226	3,056,498	6,767,724
18	3,720,481	3,066,228	6,786,709
19	3,724,089	3,080,403	6,804,492
20	3,756,629	3,103,963	6,860,592
21	Good Friday.		

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1856:	£.	£.	£.
March - 22	3,809,630	3,157,663	6,967,293
24	3,785,745	3,138,193	6,923,938
25	3,799,296	3,154,323	6,953,619
26	3,814,386	3,152,118	6,966,504
27	3,837,468	3,149,145	6,986,613
28	3,847,728	3,146,175	6,993,903
29	3,880,468	3,158,178	7,038,646
31	3,860,280	3,149,443	7,009,723
April - 1	3,892,390	3,150,503	7,042,893
2	3,892,361	3,142,443	7,034,804
3	3,904,815	3,132,733	7,037,548
4	3,908,066	3,124,148	7,032,214
5	3,953,020	3,168,203	7,121,223
7	3,937,316	3,139,993	7,077,309
8	3,934,785	3,141,208	7,075,993
9	3,936,473	3,137,028	7,073,501
10	3,949,912	3,150,543	7,100,455
11	3,955,052	3,135,348	7,090,400
12	3,977,431	3,158,038	7,135,469
14	3,940,568	3,150,373	7,090,941
15	3,947,230	3,165,033	7,112,263
16	3,937,884	3,164,868	7,102,752
17	3,943,423	3,170,743	7,114,166
18	3,936,838	3,171,538	7,108,376
19	3,963,851	3,216,633	7,180,484
21	3,934,129	3,186,683	7,120,812
22	3,929,007	3,181,333	7,110,340
23	3,920,455	3,173,628	7,094,083
24	3,933,168	3,159,588	7,092,756
25	3,919,521	3,144,413	7,063,934
26	3,956,346	3,174,358	7,130,704
28	3,919,633	3,157,213	7,076,846
29	3,933,796	3,144,638	7,078,434
30	3,927,339	3,129,848	7,057,187
May - 1	3,942,517	3,123,128	7,065,645
2	3,940,173	3,121,968	7,062,141
3	3,956,552	3,143,253	7,099,805
5	3,924,320	3,132,418	7,056,738
6	3,917,996	3,118,138	7,036,134
7	3,899,912	3,105,428	7,005,340
8	3,906,706	3,103,278	7,009,984
9	3,897,752	3,099,718	6,997,470
10	3,917,192	3,116,868	7,034,060
12	3,896,189	3,110,898	7,007,087
13	3,916,532	3,138,568	7,055,100
14	3,907,168	3,144,283	7,051,451
15	3,893,662	3,124,378	7,018,040
16	3,891,260	3,124,278	7,015,538
17	3,903,344	3,146,308	7,049,652
19	3,851,069	3,119,293	6,970,362
20	3,860,367	3,114,848	6,975,215
21	3,841,121	3,105,903	6,947,024
22	3,832,266	3,094,258	6,926,524
23	3,820,456	3,073,588	6,894,044
24	3,840,934	3,100,833	6,941,767
26	3,796,468	3,065,943	6,862,411
27	3,795,756	3,057,388	6,853,144
28	3,772,616	3,030,538	6,803,154
29	3,757,431	3,012,948	6,770,379
30	3,768,623	3,009,913	6,778,536
31	3,780,033	3,034,658	6,814,691
June - 2	3,754,923	3,009,108	6,764,031
3	3,744,968	3,011,103	6,756,071
4	3,732,906	2,983,123	6,716,029
5	3,737,266	2,989,523	6,726,789
6	3,724,957	2,973,043	6,698,000
7	3,763,229	3,019,863	6,783,092
9	3,717,715	2,997,514	6,715,229
10	3,729,923	3,015,053	6,744,976
June - 11	3,727,674	2,999,343	6,727,017
12	3,729,184	2,995,788	6,724,972
13	3,714,846	2,995,538	6,710,384
14	3,742,149	3,031,998	6,774,147
16	3,701,666	3,016,238	6,717,904
17	3,717,091	3,019,283	6,736,374
18	3,709,096	3,014,133	6,723,229
19	3,713,350	3,019,218	6,732,568
20	3,719,670	3,024,708	6,744,378
21	3,750,623	3,072,213	6,822,836
23	3,730,880	3,057,988	6,788,868
24	3,741,294	3,065,173	6,806,467
25	3,741,829	3,057,103	6,798,932
26	3,737,466	3,052,393	6,789,859
27	3,737,929	3,041,268	6,779,197
28	3,759,619	3,058,823	6,818,442
30	3,738,152	3,041,693	6,779,845
July - 1	3,762,813	3,047,683	6,810,496
2	3,766,891	3,047,928	6,814,819
3	3,778,153	3,049,663	6,827,816
4	3,788,553	3,041,538	6,830,091
5	3,825,019	3,080,623	6,905,642
7	3,796,649	3,072,783	6,869,432
8	3,813,335	3,091,123	6,904,458
9	3,813,051	3,093,648	6,906,699
10	3,821,384	3,088,098	6,909,482
11	3,814,200	3,072,158	6,886,358
12	3,836,825	3,078,413	6,915,238
14	3,808,281	3,058,208	6,866,489
15	3,799,278	3,044,528	6,843,806
16	3,765,823	3,021,378	6,787,201
17	3,759,158	3,023,448	6,782,606
18	3,756,051	3,001,383	6,757,434
19	3,774,280	3,012,763	6,787,043
21	3,733,892	2,983,528	6,717,420
22	3,721,037	2,956,263	6,677,300
23	3,695,611	2,954,483	6,650,094
24	3,689,541	2,935,408	6,624,949
25	3,679,259	2,919,698	6,598,957
26	3,709,288	2,954,023	6,663,311
28	3,651,469	2,921,413	6,572,882
29	3,649,683	2,903,633	6,553,316
30	3,634,978	2,897,248	6,532,226
31	3,631,419	2,888,308	6,519,727
August - 1	3,627,966	2,886,338	6,514,304
2	3,661,647	2,914,128	6,575,775
4	3,617,129	2,889,063	6,506,192
5	3,615,064	2,897,488	6,512,552
6	3,606,257	2,880,843	6,487,100
7	3,596,956	2,886,943	6,483,899
8	3,580,201	2,888,553	6,468,754
9	3,598,405	2,917,213	6,515,618
11	3,554,985	2,898,428	6,453,413
12	3,558,847	2,902,343	6,461,190
13	3,555,129	2,895,658	6,450,787
14	3,558,930	2,895,993	6,454,923
15	3,557,349	2,892,538	6,449,887
16	3,581,331	2,933,238	6,514,569
18	3,545,064	2,917,608	6,462,672
19	3,543,227	2,928,498	6,471,725
20	3,533,496	2,933,113	6,466,609
21	3,542,200	2,938,063	6,480,263
22	3,541,348	2,939,753	6,481,101
23	3,563,971	2,965,138	6,529,109
25	3,541,542	2,947,063	6,488,605
26	3,538,054	2,948,578	6,486,632
27	3,521,667	2,943,748	6,465,415
28	3,525,437	2,936,548	6,461,985
29	3,539,009	2,928,383	6,467,392
30	3,568,661	2,946,363	6,515,024

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1856:	£.	£.	£.
September - 1	3,543,383	2,949,018	6,492,401
2	3,558,328	2,953,948	6,512,276
3	3,556,649	2,957,138	6,513,787
4	3,569,507	2,966,663	6,536,170
5	3,577,231	2,957,633	6,534,864
6	3,621,620	3,003,848	6,625,468
8	3,594,479	2,996,023	6,590,502
9	3,610,270	3,009,718	6,619,988
10	3,610,854	3,012,623	6,623,477
11	3,622,067	3,021,938	6,644,005
12	3,636,519	3,040,263	6,676,782
13	3,676,825	3,079,378	6,756,203
15	3,651,647	3,066,968	6,718,615
16	3,656,456	3,078,773	6,735,229
17	3,663,322	3,082,643	6,745,965
18	3,700,607	3,102,608	6,803,215
19	3,718,094	3,119,303	6,837,397
20	3,764,574	3,133,278	6,897,852
22	3,741,346	3,096,483	6,837,829
23	3,747,421	3,099,323	6,846,744
24	3,770,775	3,101,293	6,872,068
25	3,796,441	3,097,038	6,893,479
26	3,823,064	3,099,188	6,922,252
27	3,866,272	3,133,048	6,999,320
29	3,870,417	3,145,273	7,015,690
30	3,896,632	3,156,813	7,053,445
October - 1	3,914,300	3,167,248	7,081,548
2	3,931,516	3,170,008	7,101,524
3	3,936,132	3,177,688	7,113,820
4	3,971,058	3,216,308	7,187,366
6	3,946,177	3,193,383	7,139,560
7	3,952,800	3,192,728	7,145,528
8	3,954,239	3,179,533	7,133,772
9	3,997,145	3,193,308	7,190,453
10	3,998,055	3,204,748	6,202,803
11	4,019,903	3,219,413	7,239,316
13	3,983,604	3,194,543	7,178,147
14	3,968,218	3,189,403	7,157,621
15	3,943,757	3,178,943	7,122,700
16	3,950,528	3,156,078	7,106,606
17	3,946,822	3,144,173	7,090,995
18	3,949,011	3,134,993	7,084,004
20	3,917,345	3,125,083	7,042,428
21	3,909,735	3,101,153	7,010,888
22	3,892,233	3,078,013	6,970,246
23	3,893,526	3,072,213	6,965,739
24	3,891,158	3,049,843	6,941,001
25	3,926,952	3,082,163	7,009,115
27	3,889,079	3,080,088	6,969,167
28	3,894,811	3,091,433	6,986,244
29	3,882,347	3,088,983	6,971,330
30	3,886,382	3,089,793	6,976,175
31	3,885,350	3,090,913	6,976,263
November - 1	3,924,410	3,133,918	7,058,328
3	3,889,595	3,127,913	7,017,508
4	3,884,483	3,120,528	7,005,011
5	3,867,950	3,119,318	6,987,268
6	3,867,660	3,122,503	6,990,163
7	3,858,365	3,113,438	6,971,803
8	3,882,396	3,145,813	7,028,209
10	3,852,084	3,118,983	6,971,067
11	3,851,356	3,134,828	6,986,184
12	3,850,787	3,122,223	6,973,010
13	3,849,087	3,115,968	6,965,055
14	3,838,334	3,112,903	6,951,237
15	3,852,817	3,143,748	6,996,565
17	3,826,114	3,125,473	6,951,587
18	3,817,548	3,123,413	6,940,961
19	3,799,843	3,103,453	6,903,296
20	3,800,743	3,095,068	6,895,811
November 21	3,790,434	3,090,708	6,881,142
22	3,808,789	3,124,968	6,933,757
24	3,774,305	3,107,493	6,881,798
25	3,770,453	3,100,748	6,871,203
26	3,750,337	3,083,653	6,833,990
27	3,751,188	3,070,738	6,821,927
28	3,742,700	3,074,308	6,817,008
29	3,763,229	3,091,208	6,854,437
December 1	3,743,664	3,078,213	6,821,877
2	3,732,426	3,072,183	6,804,609
3	3,716,132	3,054,358	6,770,490
4	3,719,824	3,050,933	6,770,757
5	3,703,787	3,036,393	6,740,180
6	3,736,335	3,051,548	6,787,883
8	3,690,387	3,032,398	6,722,780
9	3,680,884	3,040,643	6,721,527
10	3,675,951	3,023,298	6,699,249
11	3,677,812	3,029,788	6,707,600
12	3,661,572	3,014,538	6,676,110
13	3,682,307	3,032,938	6,715,245
15	3,642,738	3,016,898	6,659,636
16	3,644,420	3,014,478	6,658,898
17	3,632,822	3,000,403	6,633,225
18	3,629,951	3,002,198	6,632,149
19	3,623,329	2,991,278	6,614,607
20	3,648,323	3,006,218	6,654,541
22	3,623,671	2,983,073	6,606,744
23	3,635,341	2,986,338	6,621,679
24	3,641,531	3,003,493	6,645,024
25			
26	3,617,371	2,984,313	6,601,684
27	3,636,691	2,995,908	6,632,599
29	3,633,915	2,984,293	6,618,208
30	3,653,749	2,980,308	6,634,057
31	3,641,935	2,967,478	6,609,413
1857:			
January - 1	3,665,689	2,990,063	6,655,752
2	3,694,705	2,996,488	6,691,193
3	3,730,820	3,042,213	6,773,033
5	3,731,780	3,062,613	6,794,393
6	3,755,670	3,075,893	6,831,563
7	3,779,730	3,095,053	6,874,783
8	3,795,634	3,101,173	6,896,807
9	3,804,347	3,090,463	6,894,810
10	3,842,001	3,131,018	6,973,019
12	3,824,848	3,117,198	6,942,046
13	3,823,218	3,132,243	6,955,461
14	3,825,720	3,127,443	6,953,163
15	3,813,690	3,122,978	6,936,668
16	3,822,545	3,123,048	6,945,593
17	3,832,886	3,137,673	6,970,559
19	3,791,665	3,116,013	6,907,678
20	3,783,529	3,094,443	6,877,972
21	3,786,610	3,103,133	6,889,743
22	3,784,957	3,098,588	6,883,545
23	3,755,565	3,082,813	6,838,378
24	3,764,878	3,100,998	6,865,876
26	3,715,065	3,068,698	6,783,763
27	3,720,829	3,058,678	6,779,507
28	3,701,169	3,039,098	6,740,267
29	3,694,664	3,032,978	6,727,642
30	3,674,155	3,019,463	6,693,618
31	3,683,815	3,038,123	6,721,938
February - 2	3,649,119	3,009,583	6,658,702
3	3,662,334	3,004,963	6,667,297
4	3,653,456	2,993,203	6,646,659
5	3,662,607	2,995,893	6,658,500
6	3,639,702	2,981,778	6,621,480

AGGREGATE Daily Circulation of Banks of Issue in *England* and *Wales*—continued.

DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.	DATE.	PRIVATE BANKS.	JOINT STOCK BANKS.	TOTAL.
1857:	£.	£.	£.	1857:	£.	£.	£.
February - 7	3,672,964	3,021,328	6,694,292	March - 26	3,747,094	3,182,918	6,930,012
9	3,633,126	2,993,373	6,626,499	27	3,744,594	3,157,883	6,902,477
10	3,639,526	3,005,358	6,644,884	28	3,769,268	3,194,353	6,963,621
11	3,637,619	2,998,678	6,636,297	30	3,748,439	3,177,298	6,925,737
12	3,644,509	3,006,823	6,651,332	31	3,767,689	3,170,588	6,938,277
13	3,631,938	2,993,958	6,625,896				
14	3,650,679	3,024,353	6,675,032	April - 1	3,801,459	3,168,378	6,969,837
16	3,616,349	3,037,028	6,653,377	2	3,805,198	3,173,668	6,978,866
17	3,625,481	3,017,128	6,642,609	3	3,816,472	3,163,563	6,980,035
18	3,616,491	3,007,368	6,623,859	4	3,854,047	3,184,838	7,038,885
19	3,615,089	3,013,243	6,628,332	6	3,830,803	3,180,018	7,010,821
20	3,615,300	3,020,188	6,635,488	7	3,846,799	3,181,748	7,028,547
21	3,625,607	3,048,598	6,674,205	8	3,856,712	3,170,638	7,027,350
23	3,603,038	3,033,313	6,636,351	9	3,859,028	3,161,983	7,021,011
24	3,602,780	3,035,243	6,638,023	10	Good Friday.		
25	3,594,126	3,018,138	6,612,264	11	3,879,596	3,194,178	7,073,774
26	3,606,916	3,021,823	6,628,739	13	3,849,111	3,180,673	7,029,784
27	3,609,588	3,027,608	6,637,196	14	3,869,464	3,205,913	7,075,377
28	3,642,219	3,064,728	6,706,947	15	3,866,182	3,210,763	7,076,945
				16	3,878,809	3,208,158	7,086,967
March - 2	3,629,486	3,049,568	6,679,054	17	3,863,943	3,205,623	7,069,566
3	3,642,995	3,054,133	6,697,128	18	3,889,079	3,234,093	7,123,172
4	3,645,163	3,040,203	6,685,366	20	3,857,287	3,208,668	7,065,855
5	3,655,208	3,043,168	6,698,376	21	3,854,713	3,214,123	7,068,836
6	3,653,224	3,044,258	6,697,482	22	3,841,409	3,210,568	7,051,977
7	3,686,520	3,084,218	6,770,738	23	3,845,645	3,195,928	7,041,573
9	3,649,466	3,049,753	6,699,219	24	3,826,337	3,176,833	7,003,170
10	3,660,719	3,060,088	6,720,807	25	3,835,351	3,206,738	7,042,089
11	3,661,563	3,062,458	6,724,021	27	3,804,678	3,188,593	6,993,271
12	3,666,383	3,054,248	6,720,631	28	3,816,823	3,167,238	6,984,061
13	3,661,847	3,056,168	6,718,015	29	3,802,157	3,157,128	6,959,285
14	3,670,368	3,091,288	6,761,656	30	3,804,605	3,146,288	6,950,893
16	3,643,874	3,083,948	6,727,822				
17	3,655,686	3,102,408	6,758,094	May - 1	3,819,817	3,151,354	6,971,171
18	3,652,201	3,099,933	6,752,134	2	3,846,297	3,167,703	7,014,000
19	3,651,149	3,107,428	6,758,577	4	3,820,321	3,149,478	6,969,799
20	3,667,091	3,118,408	6,785,499	5	3,816,694	3,131,358	6,948,052
21	3,707,928	3,177,093	6,885,021	6	3,798,652	3,113,518	6,912,170
23	3,696,635	3,167,973	6,864,608	7	3,803,127	3,100,643	6,903,770
24	3,718,030	3,180,103	6,898,133	8	3,792,613	3,095,203	6,887,816
25	3,730,650	3,187,883	6,918,533	9	3,817,513	3,117,108	6,934,621

Inland Revenue Office,
May 1857.

Appendix, No. 17.

RETURN showing the authorised Issues of the Notes of the Private and Joint Stock Banks in *England* *Ireland*, the Actual Amounts Issued, and the Amounts of Bullion held by these Banks respectively, (The reason the Paper does not commence earlier than the 19th October 1844, is, that the Returns for that week

DATE.	Authorised Issues of English Country Banks.			Actual Issues of English Country Banks.		
	Private.	Joint Stock.	Total.	Private.	Joint Stock.	Total.
	£.	£.	£.	£.	£.	£.
Authorised Issues	5,153,417	3,478,230	8,631,647	- - -	- - -	- - -
Ceased between the passing of the Acts and 19 October 1844	142,310	909	143,219			
1844:						
October - 19	5,011,107	3,477,321	8,488,428	4,731,957	3,305,830	8,037,787
26	5,011,107	3,477,321	8,488,428	4,674,744	3,229,605	7,904,349
November - 2	5,011,107	3,477,321	8,488,428	4,618,524	3,196,154	7,814,678
9	5,011,107	3,477,321	8,488,428	4,531,688	3,148,236	7,679,924
16	5,011,107	3,477,321	8,488,428	4,483,841	3,128,725	7,612,566
23	5,011,107	3,477,321	8,488,428	4,459,275	3,097,090	7,556,365
30	5,011,107	3,477,321	8,488,428	4,421,367	3,073,915	7,495,282
December - 7	5,011,107	3,477,321	8,488,428	4,406,596	3,046,989	7,453,585
14	5,011,107	3,477,321	8,488,428	4,423,864	3,048,081	7,471,945
21	5,011,107	3,477,321	8,488,428	4,411,519	3,059,096	7,470,615
28	5,011,107	3,477,321	8,488,428	4,411,615	3,058,770	7,470,385
1845:						
January - 4	5,011,107	3,477,321	8,488,428	4,469,699	3,061,893	7,531,592
11	5,011,107	3,477,321	8,488,428	4,607,082	3,161,336	7,768,418
18	5,011,107	3,477,321	8,488,428	4,617,450	3,159,727	7,777,177
25	5,011,107	3,477,321	8,488,428	4,576,098	3,135,916	7,712,014
February - 1	5,011,107	3,477,321	8,488,428	4,508,784	3,092,885	7,601,669
8	5,011,107	3,477,321	8,488,428	4,474,595	3,110,603	7,585,198
15	5,011,107	3,477,321	8,488,428	4,424,972	3,105,409	7,530,381
22	5,011,107	3,477,321	8,488,428	4,386,800	3,090,335	7,477,135
March - 1	5,011,107	3,477,321	8,488,428	4,359,778	3,053,219	7,412,997
8	5,011,107	3,477,321	8,488,428	4,363,982	3,097,266	7,461,248
15	5,011,107	3,477,321	8,488,428	4,393,929	3,135,294	7,529,223
22	5,011,107	3,477,321	8,488,428	4,457,184	3,155,959	7,613,143
29	5,011,107	3,477,321	8,488,428	4,585,077	3,202,838	7,787,915
April - 5	5,011,107	3,477,321	8,488,428	4,672,081	3,277,104	7,949,185
12	5,011,107	3,477,321	8,488,428	4,715,203	3,352,623	8,067,826
19	5,009,031	3,477,321	8,486,352	4,681,723	3,323,308	8,005,031
26	5,009,031	3,477,321	8,486,352	4,680,648	3,272,014	7,952,662
May - 3	5,009,031	3,477,321	8,486,352	4,677,812	3,278,550	7,956,362
10	5,009,031	3,477,321	8,486,352	4,690,347	3,329,038	8,019,385
17	5,009,031	3,477,321	8,486,352	4,631,306	3,338,964	7,970,270
24	5,009,031	3,477,321	8,486,352	4,503,062	3,233,427	7,736,489
31	5,009,031	3,477,321	8,486,352	4,435,537	3,149,463	7,585,000
June - 7	5,009,031	3,477,321	8,486,352	4,418,678	3,136,361	7,555,039
14	5,009,031	3,477,321	8,486,352	4,377,809	3,125,194	7,503,003
21	5,009,031	3,477,221	8,486,352	4,363,486	3,113,459	7,476,945
28	5,009,031	3,477,321	8,486,352	4,429,785	3,138,861	7,568,646
July - 5	5,009,031	3,477,321	8,486,352	4,486,068	3,159,216	7,645,284
12	5,009,031	3,477,321	8,486,352	4,520,820	3,205,058	7,725,878
19	5,009,031	3,477,321	8,486,352	4,478,217	3,132,015	7,610,232
26	5,009,031	3,477,321	8,486,352	4,452,483	3,115,838	7,568,321
August - 2	5,009,031	3,477,321	8,486,352	4,436,852	3,106,614	7,543,466
9	5,009,031	3,477,321	8,486,352	4,435,369	3,133,736	7,569,105
16	5,009,031	3,477,321	8,486,352	4,392,135	3,141,733	7,533,868
23	5,009,031	3,477,331	8,486,352	4,369,064	3,132,830	7,501,894
30	5,009,031	3,477,321	8,486,352	4,369,963	3,129,952	7,499,915
September - 6	5,009,031	4,477,321	8,486,352	4,352,795	3,145,959	7,498,754
13	5,009,031	4,477,321	8,486,352	4,341,290	3,159,857	7,501,147
20	5,009,031	3,469,872	8,478,903	4,403,682	3,232,099	7,635,781
27	5,009,031	3,469,872	8,478,903	4,494,495	3,299,300	7,793,795
October - 4	5,009,031	3,469,872	8,478,903	4,633,743	3,359,878	7,993,621
11	5,009,031	3,469,872	8,478,903	4,706,984	3,354,863	8,061,847
18	5,009,031	3,469,872	8,478,903	4,826,447	3,425,042	8,251,489
25	5,009,031	3,469,872	8,478,903	4,797,208	3,384,997	8,182,205
November - 1	5,009,031	3,469,872	8,478,903	4,710,599	3,301,059	8,011,658
8	5,009,031	3,469,872	8,478,903	4,627,001	3,226,612	7,853,613
15	5,009,031	3,469,872	8,478,903	4,616,047	3,240,968	7,857,015
22	5,009,031	3,469,872	8,478,903	4,574,779	3,240,480	7,815,259
29	5,009,031	3,469,872	8,478,903	4,553,380	3,225,007	7,778,387

Appendix, No. 17.

and *Wales*, and the ACTUAL AMOUNT Issued; also, the authorised ISSUES of the BANKS in *Scotland* and in each Week since the passing of the Acts of the 7 & 8 Vict. c. 32, and 8 & 9 Vict. c. 37 & 38. were the first transmitted to the Inland Revenue Office under the requirements of the Act of Parliament.)

Authorised Issues of Scotch Banks.	Actual Issues of Scotch Banks.	Authorised Issues of Irish Banks.	Actual Issues of Irish Banks.	Coin held by Scotch Banks.	Coin held by Irish Banks.	Total Coin held by Scotch and Irish Banks.
£.	£.	£.	£.	£.	£.	£.
3,087,209	- - -	6,354,494	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—

RETURN showing the authorised Issues of the Notes of the Private and - - - -

DATE.	Authorised Issues of English Country Banks.			Actual Issues of English Country Banks.		
	Private.	Joint Stock.	TOTAL.	Private.	Joint Stock.	TOTAL.
1845:	£.	£.	£.	£.	£.	£.
December - 6	5,009,031	3,469,872	8,478,903	4,532,987	3,181,093	7,714,080
13	5,009,031	3,469,872	8,478,903	4,522,024	3,181,125	7,703,149
20	5,009,031	3,469,872	8,478,903	4,492,380	3,158,898	7,651,278
27	5,009,031	3,469,872	8,478,903	4,481,021	3,160,930	7,641,951
1846:						
January - 3	5,009,031	3,469,872	8,478,903	4,527,174	3,149,226	7,676,400
10	5,009,031	3,469,872	8,478,903	4,667,427	3,253,700	7,921,127
17	5,009,031	3,469,872	8,478,903	4,704,085	3,305,557	8,009,642
24	5,009,031	3,469,872	8,478,903	4,645,375	3,277,177	7,922,552
31	5,009,031	3,469,872	8,478,903	4,559,421	3,180,436	7,739,857
February - 7	5,009,031	3,469,872	8,478,903	4,548,496	3,145,741	7,694,237
14	5,009,031	3,469,872	8,478,903	4,479,857	3,122,363	7,602,220
21	5,009,031	3,469,872	8,478,903	4,438,726	3,098,090	7,536,816
28	5,009,031	3,469,872	8,478,903	4,417,865	3,068,126	7,485,991
March - 7	5,009,031	3,469,872	8,478,903	4,462,506	3,106,847	7,569,353
14	5,009,031	3,469,872	8,478,903	4,496,873	3,150,386	7,647,259
21	5,009,031	3,469,872	8,478,903	4,512,280	3,194,835	7,807,115
28	5,009,031	3,469,872	8,478,903	4,590,013	3,255,696	7,845,709
April - 4	5,009,031	3,469,872	8,478,903	4,716,551	3,297,360	8,013,911
11	5,009,031	3,469,872	8,478,903	4,792,473	3,345,418	8,137,891
18	4,999,454	3,469,872	8,469,326	4,760,660	3,335,327	8,095,987
25	4,999,454	3,469,872	8,469,326	4,699,970	3,229,751	7,929,721
May - - 2	4,999,454	3,469,872	8,469,326	4,711,565	3,262,541	7,974,106
9	4,999,454	3,469,872	8,469,326	4,699,117	3,309,846	8,008,963
16	4,999,454	3,469,872	8,469,326	4,646,279	3,295,375	7,941,654
23	4,999,454	3,469,872	8,469,326	4,546,578	3,191,270	7,737,848
30	4,999,454	3,469,872	8,469,326	4,523,756	3,141,367	7,665,123
June - - 6	4,999,454	3,469,872	8,469,326	4,502,975	3,161,608	7,664,583
13	4,999,454	3,469,872	8,469,326	4,438,713	3,133,570	7,572,283
20	4,999,454	3,469,872	8,469,326	4,361,008	3,076,219	7,437,227
27	4,999,454	3,469,872	8,469,326	4,380,490	3,074,136	7,454,626
July - - 4	4,999,454	3,469,872	8,469,326	4,400,154	3,066,445	7,466,599
11	4,999,454	3,461,582	8,461,036	4,443,508	3,110,709	7,554,217
18	4,999,454	3,461,582	8,461,036	4,418,209	3,108,469	7,526,678
25	4,999,454	3,461,582	8,461,036	4,420,066	3,085,490	7,505,556
August - 1	4,999,454	3,461,582	8,461,036	4,382,633	3,062,903	7,445,536
8	4,999,454	3,461,582	8,461,036	4,344,413	3,057,985	7,402,398
15	4,999,454	3,461,582	8,461,036	4,305,495	3,040,356	7,345,851
22	4,999,454	3,461,582	8,461,036	4,329,503	3,050,555	7,380,058
29	4,999,454	3,461,582	8,461,036	4,384,070	3,085,200	7,469,270
September - 5	4,999,454	3,461,582	8,461,036	4,432,067	3,136,216	7,568,283
12	4,999,454	3,461,582	8,461,036	4,485,484	3,174,195	7,659,679
19	4,999,454	3,461,582	8,461,036	4,552,838	3,243,096	7,795,934
26	4,999,454	3,461,582	8,461,036	4,637,422	3,287,211	7,924,633
October - 3	4,999,454	3,461,582	8,461,036	4,730,269	3,278,256	8,008,525
10	4,999,454	3,461,582	8,461,036	4,746,527	3,241,801	7,988,328
17	4,995,579	3,461,582	8,457,161	4,851,883	3,349,652	8,201,525
24	4,995,579	3,461,582	8,457,161	4,814,017	3,381,305	8,195,332
31	4,995,579	3,461,582	8,457,161	4,777,300	3,311,399	8,088,699
November - 7	4,995,579	3,461,582	8,457,161	4,690,837	3,195,007	7,885,844
14	4,995,579	3,461,582	8,457,161	4,655,313	3,210,983	7,866,296
21	4,995,579	3,461,582	8,457,161	4,612,516	3,198,650	7,811,166
28	4,995,579	3,461,582	8,457,161	4,587,286	3,199,420	7,786,706
December - 5	4,995,579	3,461,582	8,457,161	4,531,314	3,152,649	7,683,963
12	4,995,579	3,442,645	8,438,224	4,513,451	3,132,972	7,646,423
19	4,995,579	3,442,645	8,438,224	4,499,871	3,132,655	7,632,526
26	4,995,579	3,442,645	8,438,224	4,528,195	3,145,703	7,673,898
1847:						
January - 2	4,995,579	3,442,645	8,438,224	4,562,539	3,142,628	7,705,167
9	4,995,579	3,442,645	8,438,224	4,689,665	3,247,599	7,937,264
16	4,995,579	3,442,645	8,438,224	4,734,415	3,315,425	8,049,840
23	4,995,579	3,442,645	8,438,224	4,679,306	3,281,603	7,960,909
30	4,995,579	3,442,645	8,438,224	4,598,043	3,226,931	7,824,974

\- - - Joint Stock Banks in *England* and *Wales*, and the Actual Amount Issued, &c.—*continued.*

Authorised Issues of Scotch Banks.	Actual Issues of Scotch Banks.	Authorised Issues of Irish Banks.	Actual Issues of Irish Banks.	Coin held by Scotch Banks.	Coin held by Irish Banks.	Total Coin held by Scotch and Irish Banks.
£.	£.	£.	£.	£.	£.	£.
—	—	—	—	—	—	—
3,087,209	3,469,211	6,354,494	7,554,576	1,168,400	2,475,532	3,643,932
3,087,209	3,325,119	6,354,494	7,484,598	1,187,521	2,478,232	3,665,753
3,087,209	3,259,500	6,354,494	7,302,655	1,186,122	2,497,525	3,683,647
3,087,209	3,291,826	6,354,494	7,275,647	1,179,603	2,504,034	3,683,637
3,087,209	3,259,815	6,354,494	7,378,029	1,168,730	2,517,383	3,686,113
3,087,209	3,185,086	6,354,494	7,427,418	1,179,644	2,530,314	3,709,958
3,087,209	3,131,309	6,354,494	7,419,411	1,190,430	2,534,611	3,725,041
3,087,209	3,152,725	6,354,494	7,418,276	1,177,916	2,541,830	3,719,746
3,087,209	3,152,463	6,354,494	7,469,471	1,143,814	2,564,150	3,707,964
3,087,209	3,097,930	6,354,494	7,454,624	1,149,829	2,566,488	3,716,317
3,087,209	3,040,965	6,354,494	7,468,691	1,136,271	2,568,061	3,704,332
3,087,209	3,043,840	6,354,494	7,486,134	1,144,019	2,570,513	3,714,532
3,087,209	3,053,240	6,354,494	7,455,595	1,145,235	2,570,354	3,715,589
3,087,209	3,015,557	6,354,494	7,457,588	1,127,336	2,581,347	3,708,683
3,087,209	3,003,163	6,354,494	7,422,994	1,127,479	2,569,958	3,697,437
3,087,209	3,003,159	6,354,494	7,443,675	1,128,568	2,550,985	3,679,553
3,087,209	3,055,598	6,354,494	7,553,344	1,123,405	2,537,820	3,661,225
3,087,209	3,158,468	6,354,494	7,594,861	1,125,240	2,521,343	3,646,583
3,087,209	3,082,226	6,354,494	7,522,464	1,130,355	2,532,672	3,663,027
3,087,209	3,089,000	6,354,494	7,474,633	1,130,283	2,514,630	3,644,913
3,087,209	3,177,021	6,354,494	7,510,122	1,131,772	2,624,089	3,755,861
3,087,209	3,261,316	6,354,494	7,489,372	1,133,809	2,492,980	3,626,789
3,087,209	3,571,919	6,354,494	7,404,936	1,134,609	2,491,584	3,626,193
3,087,209	3,595,291	6,354,494	7,283,896	1,144,158	2,487,142	3,631,300
3,087,209	3,652,400	6,354,494	7,154,002	1,139,095	2,496,160	3,635,255
3,087,209	3,536,708	6,354,494	7,035,168	1,150,872	2,429,711	3,580,583
3,087,209	3,456,198	6,354,494	6,922,773	1,152,761	2,369,096	3,521,857
3,087,209	3,389,338	6,354,494	6,776,170	1,168,528	2,365,053	3,533,581
3,087,209	3,327,529	6,354,494	6,727,261	1,163,937	2,303,053	3,466,990
3,087,209	3,438,416	6,354,494	6,750,041	1,163,688	2,264,639	3,428,327
3,087,209	3,379,093	6,354,494	6,692,814	1,161,661	2,242,809	3,404,470
3,087,209	3,415,229	6,354,494	6,575,864	1,100,331	2,256,655	3,356,986
3,087,209	3,301,877	6,354,494	6,482,150	1,113,769	2,267,181	3,380,950
3,087,209	3,377,059	6,354,494	6,508,589	1,117,912	2,268,162	3,386,074
3,087,209	3,392,445	6,354,494	6,480,282	1,109,313	2,262,925	3,372,238
3,087,209	3,416,267	6,354,494	6,451,055	1,086,468	2,256,927	3,343,395
3,087,209	3,362,753	6,354,494	6,428,235	1,082,117	2,263,349	3,345,466
3,087,209	3,411,877	6,354,494	6,540,727	1,081,948	2,244,685	3,326,633
3,087,209	3,498,905	6,354,494	6,549,208	1,077,107	2,204,631	3,281,738
3,087,209	3,513,645	6,354,494	6,734,538	1,082,557	2,201,073	3,283,630
3,087,209	3,591,780	6,354,494	6,899,601	1,095,609	2,198,663	3,294,272
3,087,209	3,593,633	6,354,494	7,118,141	1,116,324	2,194,838	3,311,162
3,087,209	3,759,766	6,354,494	7,391,114	1,114,173	2,249,173	3,363,346
3,087,209	3,715,474	6,354,494	7,597,376	1,127,447	2,318,407	3,445,854
3,087,209	3,779,406	6,354,494	7,745,064	1,146,803	2,428,074	3,574,877
3,087,209	3,795,451	6,354,494	7,802,007	1,218,805	2,472,879	3,691,684
3,087,209	3,684,518	6,354,494	7,876,029	1,241,449	2,515,533	3,756,982
3,087,209	3,801,706	6,354,494	7,924,217	1,307,462	2,523,670	3,831,132
3,087,209	4,046,526	6,354,494	7,914,200	1,320,942	2,549,541	3,870,483
3,087,209	4,034,157	6,354,494	7,898,927	1,361,739	2,556,936	3,918,675
3,087,209	4,000,372	6,354,494	7,808,945	1,376,566	2,573,698	3,950,264
3,087,209	3,906,418	6,354,494	7,736,063	1,399,323	2,598,116	3,997,439
3,087,209	3,861,924	6,354,494	7,625,939	1,394,669	2,613,087	4,007,756
3,087,209	3,707,617	6,354,494	7,553,241	1,412,690	2,632,806	4,045,496
3,087,209	3,741,836	6,354,494	7,422,964	1,381,744	2,602,946	3,984,690
3,087,209	3,837,881	6,354,494	7,459,516	1,348,471	2,583,216	3,931,687
3,087,209	3,708,682	6,354,494	7,419,841	1,366,957	2,470,838	3,837,795
3,087,209	3,651,848	6,354,494	7,296,569	1,339,197	2,366,469	3,705,666
3,087,209	3,510,206	6,354,494	7,146,575	1,348,368	2,371,016	3,719,384
3,087,209	3,532,193	6,354,494	7,174,726	1,330,754	2,324,638	3,655,392

A RETURN showing the authorised Issues of the Notes of the Private and - - - - -

DATE.	Authorised Issues of English Country Banks.			Actual Issues of English Country Banks.		
	Private.	Joint Stock.	TOTAL.	Private.	Joint Stock.	TOTAL.
	£.	£.	£.	£.	£.	£.
1847:						
February - 6	4,995,579	3,442,645	8,438,224	4,589,136	3,213,688	7,802,824
13	4,995,579	3,442,645	8,438,224	4,563,495	3,210,079	7,773,574
20	4,995,579	3,442,645	8,438,224	4,527,347	3,198,849	7,726,196
27	4,995,579	3,442,645	8,438,224	4,517,263	3,169,919	7,687,182
March - 6	4,995,579	3,442,645	8,438,224	4,517,270	3,206,385	7,723,655
13	4,995,579	3,442,645	8,438,224	4,514,605	3,235,322	7,749,927
20	4,995,579	3,442,645	8,438,224	4,530,945	3,259,789	7,790,734
27	4,995,579	3,442,645	8,438,224	4,605,510	3,292,597	7,898,107
April - 3	4,995,579	3,442,645	8,438,224	4,701,163	3,338,669	8,039,832
10	4,995,579	3,442,645	8,438,224	4,777,458	3,358,162	8,135,620
17	4,995,579	3,442,645	8,438,224	4,722,449	3,281,970	8,004,419
24	4,995,579	3,442,645	8,438,224	4,690,320	3,230,217	7,920,537
May - 1	4,995,579	3,442,645	8,438,224	4,694,066	3,260,891	7,954,957
8	4,995,579	3,442,645	8,438,224	4,664,338	3,285,766	7,950,104
15	4,995,579	3,442,645	8,438,224	4,591,512	3,261,115	7,852,627
22	4,995,579	3,442,645	8,438,224	4,504,394	3,200,487	7,704,881
29	4,995,579	3,428,731	8,424,310	4,458,639	3,146,603	7,605,242
June - 5	4,995,579	3,428,731	8,424,310	4,409,723	3,093,945	7,503,668
12	4,995,579	3,428,731	8,424,310	4,358,943	3,084,792	7,443,735
19	4,995,579	3,428,731	8,424,310	4,314,771	3,028,278	7,343,049
26	4,995,579	3,428,731	8,424,310	4,329,390	3,028,791	7,358,181
July - 3	4,995,579	3,428,731	8,424,310	4,341,750	3,029,260	7,371,010
10	4,995,579	3,428,731	8,424,310	4,370,099	3,052,230	7,422,329
17	4,995,579	3,428,731	8,424,310	4,315,106	3,025,810	7,340,916
24	4,995,579	3,428,731	8,424,310	4,290,658	3,012,178	7,302,836
31	4,995,579	3,428,731	8,424,310	4,262,301	2,974,544	7,236,845
August - 7	4,995,579	3,428,731	8,424,310	4,251,158	2,994,195	7,245,353
14	4,995,579	3,428,731	8,424,310	4,228,646	2,982,820	7,211,466
21	4,995,579	3,428,731	8,424,310	4,185,578	2,948,452	7,134,030
28	4,995,579	3,428,731	8,424,310	4,164,321	2,927,734	7,092,055
September 4	4,995,579	3,428,731	8,424,310	4,174,873	2,955,701	7,130,574
11	4,995,579	3,428,731	8,424,310	4,191,992	2,985,520	7,177,512
18	4,995,579	3,428,731	8,424,310	4,204,928	3,029,736	7,234,664
25	4,995,579	3,428,731	8,424,310	4,269,708	3,072,747	7,342,455
October - 2	4,995,579	3,428,731	8,424,310	4,402,217	3,155,873	7,558,090
9	4,966,263	3,428,731	8,394,994	4,464,909	3,170,830	7,635,739
16	4,966,263	3,428,731	8,394,994	4,521,545	3,222,090	7,743,635
23	4,929,106	3,428,731	8,357,837	4,412,030	3,178,560	7,590,590
30	4,897,645	3,428,731	8,326,376	4,235,947	3,054,470	7,290,417
November 6	4,868,930	3,428,731	8,297,661	4,039,039	2,880,659	6,919,698
13	4,868,930	3,428,731	8,297,661	3,847,838	2,729,615	6,577,453
20	4,868,930	3,428,731	8,297,661	3,715,826	2,594,668	6,310,494
27	4,841,899	3,428,731	8,270,630	3,635,411	2,527,309	6,162,720
December - 4	4,841,899	3,428,731	8,270,630	3,571,333	2,455,189	6,026,522
11	4,841,899	3,428,731	8,270,630	3,524,692	2,408,811	5,933,503
18	4,841,899	3,428,731	8,270,630	3,506,770	2,396,411	5,903,181
25	4,841,899	3,428,731	8,270,630	3,524,360	2,417,528	5,941,888
1848:						
January - 1	4,841,899	3,428,731	8,270,630	3,556,797	2,418,137	5,974,934
8	4,841,899	3,428,731	8,270,630	3,688,880	2,490,433	6,179,313
15	4,841,899	3,428,731	8,270,630	3,779,269	2,559,651	6,338,920
22	4,841,899	3,428,731	8,270,630	3,778,475	2,559,480	6,337,955
29	4,841,899	3,428,731	8,270,630	3,735,393	2,530,005	6,265,398
February - 5	4,841,899	3,428,731	8,270,630	3,706,158	2,519,959	6,226,117
12	4,841,899	3,428,731	8,270,630	3,663,795	2,517,129	6,180,924
19	4,841,899	3,428,731	8,270,630	3,617,940	2,516,537	6,134,477
26	4,841,899	3,428,731	8,270,630	3,564,470	2,494,610	6,059,080
March - 4	4,841,899	3,428,731	8,270,630	3,567,063	2,525,645	6,092,708
11	4,841,899	3,428,731	8,270,630	3,589,353	2,567,049	6,156,402
18	4,841,899	3,428,731	8,270,630	3,599,661	2,576,344	6,176,005
25	4,841,899	3,428,731	8,270,630	3,648,323	2,620,268	6,268,591
April - 1	4,841,899	3,428,731	8,270,630	3,745,566	2,685,825	6,431,391
8	4,841,899	3,428,731	8,270,630	3,862,096	2,766,333	6,628,429
15	4,841,899	3,428,731	8,270,630	3,900,020	2,791,458	6,691,478
22	4,841,899	3,428,731	8,270,630	3,905,452	2,813,224	6,718,676
29	4,841,899	3,428,731	8,270,630	3,919,799	2,834,808	6,754,607

\- - - Joint Stock Banks in *England* and *Wales*, and the Actual Amount Issued, &c.—*continued.*

Authorised Issues of Scotch Banks.	Actual Issues of Scotch Banks.	Authorised Issues of Irish Banks.	Actual Issues of Irish Banks.	Coin held by Scotch Banks.	Coin held by Irish Banks.	Total Coin held by Scotch and Irish Banks.
£.	£.	£.	£.	£.	£.	£.
3,087,209	3,585,032	6,354,494	7,166,466	1,319,997	2,203,566	3,523,563
3,087,209	3,533,346	6,354,494	7,074,420	1,320,775	2,161,366	3,482,141
3,087,209	3,444,096	6,354,494	6,982,187	1,335,999	2,179,861	3,515,860
3,087,209	3,450,751	6,354,494	6,897,150	1,325,708	2,171,956	3,497,664
3,087,209	3,433,873	6,354,494	6,845,489	1,327,364	2,143,870	3,471,234
3,087,209	3,357,356	6,354,494	6,804,208	1,328,250	2,126,403	3,454,653
3,087,209	3,322,251	6,354,494	6,658,121	1,327,967	2,108,480	3,436,447
3,087,209	3,327,936	6,354,494	6,611,142	1,309,652	2,077,658	3,387,310
3,087,209	3,469,045	6,354,494	6,701,350	1,306,613	2,022,547	3,329,160
3,087,209	3,377,814	6,354,494	6,616,958	1,280,747	1,996,836	3,277,583
3,087,209	3,368,865	6,354,494	6,449,887	1,289,446	2,001,128	3,290,574
3,087,209	3,366,391	6,354,494	6,316,757	1,285,734	1,959,680	3,245,414
3,087,209	3,295,367	6,354,494	6,274,273	1,285,959	1,747,535	3,033,494
3,087,209	3,350,444	6,354,494	6,108,212	1,310,226	1,675,122	2,985,348
3,087,209	3,707,437	6,354,494	5,942,979	1,307,021	1,654,620	2,961,641
3,087,209	3,714,554	6,354,494	5,748,901	1,298,255	1,653,422	2,951,677
3,087,209	3,791,777	6,354,494	5,627,648	1,261,541	1,594,708	2,856,249
3,087,209	3,676,918	6,354,494	5,533,327	1,267,601	1,528,961	2,796,562
3,087,209	3,606,899	6,354,494	5,412,184	1,279,766	1,533,713	2,813,479
3,087,209	3,513,683	6,354,494	5,286,658	1,267,492	1,538,155	2,805,647
3,087,209	3,471,573	6,354,494	5,221,476	1,256,743	1,556,339	2,813,082
3,087,209	3,569,630	6,354,494	5,307,565	1,223,338	1,558,617	2,781,955
3,087,209	3,476,581	6,354,494	5,299,329	1,202,640	1,556,764	2,759,404
3,087,209	3,465,929	6,354,494	5,201,155	1,196,596	1,557,642	2,754,238
3,087,209	3,341,946	6,354,494	5,123,185	1,191,159	1,565,734	2,756,893
3,087,209	3,430,230	6,354,494	5,092,966	1,170,473	1,572,003	2,742,476
3,087,209	3,491,819	6,354,494	5,093,324	1,107,734	1,565,606	2,673,340
3,087,209	3,558,629	6,354,494	5,079,517	1,102,689	1,565,556	2,668,245
3,087,209	3,465,033	6,354,494	5,023,967	1,106,101	1,547,387	2,653,488
3,087,209	3,435,528	6,354,494	5,017,615	1,103,279	1,532,228	2,635,507
3,087,209	3,577,411	6,354,494	5,067,847	1,097,666	1,523,183	2,620,851
3,087,209	3,512,153	6,354,494	5,083,825	1,084,123	1,526,104	2,610,227
3,087,209	3,512,470	6,354,494	5,181,289	1,091,320	1,517,721	2,609,041
3,087,209	3,515,286	6,354,494	5,284,441	1,119,747	1,530,133	2,649,880
3,087,209	3,586,043	6,354,494	5,443,063	1,124,075	1,515,624	2,639,699
3,087,209	3,626,135	6,354,494	5,513,671	1,100,194	1,507,384	2,607,578
3,087,209	3,653,565	6,354,494	5,615,169	1,113,052	1,498,243	2,611,295
3,087,209	3,539,622	6,354,494	5,566,449	1,139,604	1,499,712	2,639,316
3,087,209	3,553,989	6,354,494	5,475,204	1,121,717	1,573,925	2,695,642
3,087,209	3,699,719	6,354,494	5,420,445	1,089,889	1,574,240	2,664,129
3,087,209	3,783,904	6,354,494	5,343,418	1,130,611	1,584,043	2,714,654
3,087,209	3,727,792	6,354,494	5,328,711	1,130,739	1,587,970	2,718,709
3,087,209	3,713,968	6,354,494	5,297,196	1,130,704	1,599,069	2,729,773
3,087,209	3,704,302	6,354,494	5,321,645	1,141,696	1,592,011	2,733,707
3,087,209	3,545,253	6,354,494	5,252,216	1,135,535	1,594,856	2,730,391
3,087,209	3,378,073	6,354,494	5,194,637	1,131,420	1,626,045	2,757,465
3,087,209	3,180,609	6,354,494	5,186,266	1,098,417	1,581,471	2,679,888
3,087,209	3,261,366	6,354,494	5,151,352	1,066,838	1,642,675	2,709,513
3,087,209	3,296,217	6,354,494	5,248,437	1,075,005	1,652,244	2,727,249
3,087,209	3,196,233	6,354,494	5,253,157	1,071,607	1,655,142	2,726,749
3,087,209	3,086,817	6,354,494	5,222,053	1,097,623	1,667,529	2,765,152
3,087,209	3,064,850	6,354,494	5,212,028	1,087,261	1,684,073	2,771,334
3,087,209	3,107,551	6,354,494	5,252,108	1,088,920	1,687,308	2,776,228
3,087,209	3,081,376	6,354,494	5,271,874	1,087,940	1,698,799	2,786,739
3,087,209	2,981,157	6,354,494	5,201,032	1,093,650	1,716,875	2,810,525
3,087,209	2,948,222	6,354,494	5,155,317	1,097,560	1,724,556	2,822,116
3,087,209	3,100,982	6,354,494	5,190,810	1,100,890	1,708,758	2,809,648
3,087,209	2,937,241	6,354,494	5,117,022	1,105,328	1,688,350	2,793,678
3,087,209	2,903,296	6,354,494	5,071,623	1,093,732	1,650,468	2,744,200
3,087,209	2,866,254	6,354,494	5,050,135	1,085,528	1,674,177	2,759,705
3,087,209	2,912,712	6,354,494	5,039,506	1,060,143	1,591,329	2,651,472
3,087,209	2,910,737	6,354,494	5,069,703	1,040,187	1,656,270	2,696,457
3,087,209	2,934,500	6,354,494	4,989,338	1,031,668	1,597,679	2,629,347
3,087,209	2,978,760	6,354,494	4,917,593	1,026,635	1,646,209	2,672,844
3,087,209	2,957,409	6,354,494	4,885,792	1,033,851	1,641,483	2,675,334

(continued)

A RETURN showing the authorised Issues of the Notes of the Private and - - - - -

DATE.	Authorised Issues of English Country Banks.			Actual Issues of English Country Banks.		
	Private.	Joint Stock.	TOTAL.	Private.	Joint Stock.	TOTAL.
1848:	£.	£.	£.	£.	£.	£.
May - 6	4,841,899	3,428,731	8,270,630	3,879,691	2,814,958	6,694,649
13	4,841,899	3,428,731	8,270,630	3,830,701	2,764,604	6,595,305
20	4,841,899	3,428,731	8,270,630	3,756,555	2,717,061	6,473,616
27	4,841,899	3,428,731	8,270,630	3,674,203	2,636,778	6,310,981
June - 3	4,841,899	3,428,731	8,270,630	3,632,651	2,582,841	6,215,492
10	4,841,889	3,428,731	8,270,630	3,623,673	2,590,116	6,213,789
17	4,841,899	3,428,731	8,270,630	3,583,760	2,584,786	6,168,546
24	4,841,899	3,428,731	8,270,630	3,562,045	2,550,931	6,112,976
July - 1	4,841,899	3,428,731	8,270,630	3,560,329	2,515,173	6,075,502
8	4,841,899	3,428,731	8,270,630	3,603,078	2,521,007	6,121,085
15	4,841,899	3,428,731	8,270,630	3,563,549	2,512,898	6,076,447
22	4,841,899	3,428,731	8,270,630	3,552,684	2,503,456	6,056,140
29	4,841,899	3,428,731	8,270,630	3,512,019	2,468,992	5,981,011
August - 5	4,822,498	3,428,731	8,251,229	3,516,133	2,460,877	5,977,010
12	4,822,498	3,428,731	8,251,229	3,503,086	2,466,733	5,969,819
19	4,822,498	3,428,731	8,251,229	3,472,400	2,456,840	5,929,240
26	4,822,498	3,428,731	8,251,229	3,463,839	2,455,664	5,919,503
September - 2	4,822,498	3,428,731	8,251,229	3,478,825	2,465,555	5,944,380
9	4,822,498	3,428,731	8,251,229	3,516,213	2,508,801	6,025,014
16	4,822,498	3,428,731	8,251,229	3,564,269	2,570,644	6,134,913
23	4,822,498	3,428,731	8,251,229	3,620,108	2,631,476	6,251,584
30	4,822,498	3,428,731	8,251,229	3,709,256	2,697,269	6,406,525
October - 7	4,822,498	3,409,987	8,232,485	3,832,935	2,765,610	6,598,545
14	4,822,498	3,409,987	8,232,485	3,938,548	2,854,741	6,793,289
21	4,822,498	3,409,987	8,232,485	3,947,191	2,880,826	6,828,017
28	4,822,498	3,409,987	8,232,485	3,918,136	2,859,008	6,775,144
November - 4	4,822,498	3,409,987	8,232,485	3,870,617	2,820,477	6,691,094
11	4,822,498	3,409,987	8,232,485	3,823,132	2,796,779	6,619,911
18	4,822,498	3,409,987	8,232,485	3,732,428	2,756,764	6,489,192
25	4,822,498	3,409,987	8,232,485	3,657,522	2,705,369	6,362,891
December - 2	4,822,498	3,409,987	8,232,485	3,601,817	2,649,747	6,251,564
9	4,822,498	3,409,987	8,232,485	3,548,110	2,605,469	6,153,579
16	4,818,755	3,409,987	8,228,742	3,499,216	2,574,815	6,074,031
23	4,818,755	3,409,987	8,228,742	3,488,440	2,559,675	6,048,115
30	4,815,466	3,409,987	8,225,453	3,492,858	2,529,331	6,022,189
1849:						
January - 6	4,815,466	3,409,987	8,225,453	3,575,213	2,566,525	6,141,738
13	4,815,466	3,409,987	8,225,453	3,675,215	2,647,583	6,322,798
20	4,815,466	3,409,987	8,225,453	3,688,393	2,650,981	6,339,374
27	4,815,466	3,409,987	8,225,453	3,668,403	2,622,212	6,290,615
February - 3	4,815,466	3,409,987	8,225,453	3,633,653	2,609,418	6,243,071
10	4,815,466	3,409,987	8,225,453	3,601,357	2,590,505	6,192,362
17	4,815,466	3,409,987	8,225,453	3,544,774	2,597,571	6,142,345
24	4,815,466	3,409,987	8,225,453	3,488,957	2,567,068	6,056,025
March - 3	4,815,466	3,409,987	8,225,453	3,460,397	2,564,383	6,024,780
10	4,815,466	3,409,987	8,225,453	3,461,956	2,584,198	6,046,154
17	4,815,466	3,409,987	8,225,453	3,459,513	2,591,739	6,051,252
24	4,815,466	3,409,987	8,225,453	3,486,478	2,623,186	6,109,664
31	4,815,466	3,409,987	8,225,453	3,572,110	2,691,827	6,263,937
April - 7	4,815,466	3,409,987	8,225,453	3,684,192	2,787,545	6,471,737
14	4,815,466	3,409,987	8,225,453	3,744,144	2,873,292	6,617,436
21	4,815,466	3,409,987	8,225,453	3,746,309	2,840,609	6,586,918
28	4,815,466	3,409,987	8,225,453	3,749,910	2,835,148	6,585,058
May - 5	4,815,466	3,409,987	8,225,453	3,731,503	2,841,498	6,573,001
12	4,815,466	3,409,987	8,225,453	3,699,946	2,814,433	6,514,379
19	4,815,466	3,409,987	8,225,453	3,657,830	2,791,008	6,448,838
26	4,815,466	3,409,987	8,225,453	3,584,336	2,713,244	6,297,580
June - 2	4,815,466	3,409,987	8,225,453	3,563,058	2,674,479	6,237,537
9	4,815,466	3,409,987	8,225,453	3,536,104	2,647,295	6,183,399
16	4,815,466	3,409,987	8,225,453	3,478,209	2,610,198	6,088,407
23	4,815,466	3,409,987	8,225,453	3,451,751	2,580,005	6,031,756
30	4,815,466	3,409,987	8,225,453	3,460,490	2,570,503	6,030,993

\- - - Joint Stock Banks in *England* and *Wales*, and the Actual Amount Issued, &c.—*continued*.

Authorised Issues of Scotch Banks.	Actual Issues of Scotch Banks.	Authorised Issues of Irish Banks.	Actual Issues of Irish Banks.	Coin held by Scotch Banks.	Coin held by Irish Banks.	Total Coin held by Scotch and Irish Banks.
£.	£.	£.	£.	£.	£.	£.
3,087,209	3,093,715	6,354,494	4,874,378	1,029,381	1,588,832	2 618,213
3,087,209	3,209,451	6,354,494	4,829,647	1,028,900	1,564,746	2,593,646
3,087,209	3,348,730	6,354,494	4,772,875	1,019,648	1,558,886	2,578,534
3,087,209	3,577,350	6,354,494	4,701,510	1,019,334	1,538,962	2,558,296
3,087,209	3,492,853	6,354,494	4,727,027	1,032,672	1,516,950	2,549,622
3,087,209	3,379,925	6,354,494	4,653,920	1,039,145	1,502,830	2,541,975
3,087,209	3,300,248	6,354,494	4,562,940	1,063,103	1,530,954	2,594,057
3,087,209	3,132,919	6,354,494	4,475,796	1,052,692	1,536,496	2,589,188
3,087,209	3,140,177	6,354,494	4,478,814	1,036,575	1,560,948	2,597,523
3,087,209	3,110,299	6,354,494	4,500,409	1,035,919	1,573,462	2,609,381
3,087,209	3,043,206	6,354,494	4,462,686	1,006,760	1,586,694	2,593,454
3,087,209	2,986,665	6,354,494	4,359,071	1,023,488	1,563,815	2,587,303
3,087,209	3,010,009	6,354,494	4,303,557	1,015,981	1,565,272	2,581,253
3,087,209	3,077,699	6,354,494	4,298,049	997,313	1,598,858	2,596,171
3,087,209	3,069,264	6,354,494	4,292,548	973,287	1,554,239	2,527,526
3,087,209	3,053,759	6,354,494	4,257,545	964,148	1,549,151	2,513,299
3,087,209	2,964,481	6,354,494	4,232,192	971,777	1,564,674	2,536,451
3,087,209	3,007,420	6,354,494	4,294,695	973,404	1,563,351	2,536,755
3,087,209	3,059,587	6,354,494	4,284,105	968,224	1,497,355	2,465,579
3,087,209	3,066,994	6,354,494	4,321,667	922,904	1,495,777	2,418,681
3,087,209	3,095,099	6,354,494	4,379,912	905,376	1,492,372	2,397,748
3,087,209	3,136,427	6,354,494	4,552,901	934,486	1,492,974	2,427,460
3,087,209	3,247,570	6,354,494	4,771,211	929,978	1,487,500	2,417,478
3,087,209	3,244,156	6,354,494	4,945,965	939,330	1,484,407	2,423,737
3,087,209	3,276,914	6,354,494	5,018,135	978,547	1,497,203	2,475,750
3,087,209	3,259,303	6,354,494	5,035,641	993,451	1,505,094	2,498,545
3,087,209	3,444,752	6,354,494	5,107,134	999,655	1,492,907	2,492,562
3,087,209	3,556,533	6,354,494	5,051,604	1,000,293	1,505,015	2,505,308
3,087,209	3,539,493	6,354,494	4,983,429	1,016,999	1,539,115	2,556,114
3,087,209	3,592,227	6,354,494	4,918,584	1,017,913	1,567,314	2,585,227
3,087,209	3,592,270	6,354,494	4,922,590	1,029,220	1,590,442	2,619,662
3,087,209	3,415,434	6,354,494	4,882,352	1,037,012	1,608,923	2,645,935
3,087,209	3,247,152	6,354,494	4,815,599	1,046,539	1,608,318	2,654,857
3,087,209	3,201,785	6,354,494	4,750,050	1,033,121	1,563,589	2,596,710
3,087,209	3,242,972	6,354,494	4,662,542	990,854	1,602,756	2,593,610
3,087,209	3,133,404	6,354,494	4,720,618	1,013,421	1,618,278	2,631,699
3,087,209	3,043,895	6,354,494	4,712,822	1,014,406	1,629,718	2,644,124
3,087,209	2,997,174	6,354,494	4,664,736	1,010,540	1,657,901	2,668,441
3,087,209	2,957,033	6,354,494	4,600,781	1,017,275	1,675,966	2,693,241
3,087,209	3,092,967	6,354,494	4,660,502	1,026,835	1,665,418	2,692,253
3,087,209	2,958,312	6,354,494	4,582,059	1,035,610	1,676,890	2,712,500
3,087,209	2,906,374	6,354,494	4,520,771	1,040,703	1,672,892	2,713,595
3,087,209	2,851,077	6,354,494	4,476,944	1,025,204	1,700,532	2,725,736
3,087,209	3,086,488	6,354,494	4,514,685	1,029,545	1,709,872	2,739,417
3,087,209	2,922,715	6,354,494	4,414,195	1,003,814	1,706,380	2,710,194
3,087,209	2,890,907	6,354,494	4,361,835	1,008,470	1,709,654	2,718,124
3,087,209	2,840,401	6,354,494	4,316,508	994,884	1,709,536	2,704,420
3,087,209	2,880,509	6,354,494	4,310,965	994,878	1,713,311	2,708,189
3,087,209	2,966,374	6,354,494	4,428,509	977,983	1,657,660	2,635,643
3,087,209	2,894,595	6,354,494	4,422,298	982,503	1,657,096	2,639,599
3,087,209	2,890,208	6,354,494	4,345,519	962,895	1,671,619	2,634,514
3,087,209	2,924,457	6,354,494	4,320,586	970,255	1,672,591	2,642,846
3,087,209	3,022,097	6,354,494	4,352,996	962,477	1,679,893	2,642,370
3,087,209	3,100,686	6,354,494	4,291,204	958,024	1,684,739	2,642,763
3,087,209	3,469,546	6,354,494	4,186,778	944,549	1,688,447	2,632,996
3,087,209	3,481,451	6,354,494	4,106,294	929,730	1,697,610	2,627,340
3,087,209	3,454,399	6,354,494	4,087,415	941,462	1,691,314	2,632,776
3,087,209	3,328,618	6,354,494	4,054,469	948,069	1,669,983	2,618,052
3,087,209	3,259,169	6,354,494	3,937,247	931,019	1,670,642	2,601,661
3,087,209	3,131,320	6,354,494	3,894,808	934,353	1,676,075	2,610,428
3,087,209	3,125,108	6,354,494	3,921,751	953,664	1,677,730	2,631,394

A RETURN showing the authorised Issues of the Notes of the Private and - - - - -

DATE.	Authorised Issues of English Country Banks.			Actual Issues of English Country Banks.		
	Private.	Joint Stock.	TOTAL.	Private.	Joint Stock.	TOTAL.
1849:	£.	£.	£.	£.	£.	£.
July - 7	4,815,466	3,409,987	8,225,453	3,497,833	2,583,989	6,081,822
14	4,815,466	3,409,987	8,225,453	3,509,876	2,610,169	6,120,045
21	4,815,466	3,409,987	8,225,453	3,497,024	2,582,269	6,079,293
28	4,815,466	3,409,987	8,225,453	3,473,517	2,544,873	6,018,390
August - 4	4,815,466	3,409,987	8,225,453	3,443,441	2,512,907	5,956,348
11	4,815,466	3,409,987	8,225,453	3,390,498	2,485,206	5,875,704
18	4,815,466	3,409,987	8,225,453	3,346,612	2,476,513	5,823,125
25	4,815,466	3,409,987	8,225,453	3,324,270	2,448,580	5,772,850
September - 1	4,815,466	3,409,987	8,225,453	3,310,382	2,446,175	5,756,557
8	4,815,466	3,409,987	8,225,453	3,329,812	2,458,867	5,788,679
15	4,815,466	3,409,987	8,225,453	3,336,225	2,482,844	5,819,069
22	4,815,466	3,409,987	8,225,453	3,381,882	2,527,171	5,909,053
29	4,805,433	3,409,987	8,215,420	3,487,133	2,599,372	6,086,503
October - 6	4,805,433	3,409,987	8,215,420	3,641,488	2,698,516	6,340,004
13	4,805,433	3,409,987	8,215,420	3,809,768	2,788,041	6,597,809
20	4,805,433	3,409,987	8,215,420	3,857,609	2,811,291	6,668,900
27	4,802,593	3,409,987	8,212,580	3,836,048	2,783,808	6,619,856
November - 3	4,802,593	3,409,987	8,212,580	3,789,895	2,739,589	6,529,484
10	4,802,593	3,409,987	8,212,580	3,741,577	2,734,794	6,476,371
17	4,802,593	3,409,987	8,212,580	3,700,133	2,728,422	6,428,545
24	4,802,593	3,409,987	8,212,580	3,669,157	2,694,587	6,363,744
December - 1	4,802,593	3,409,987	8,212,580	3,603,442	2,656,008	6,259,450
8	4,802,593	3,409,987	8,212,580	3,557,928	2,617,558	6,175,486
15	4,802,593	3,409,987	8,212,580	3,525,704	2,598,130	6,123,834
22	4,802,593	3,409,987	8,212,580	3,513,594	2,600,802	6,114,396
29	4,802,593	3,409,987	8,212,580	3,423,458	2,588,045	6,011,503
1850:						
January - 5	4,802,593	3,409,987	8,212,580	3,605,548	2,618,299	6,223,847
12	4,802,593	3,409,987	8,212,580	3,714,541	2,717,343	6,431,884
19	4,802,593	3,409,987	8,212,580	3,708,340	2,704,832	6,413,172
26	4,802,593	3,409,987	8,212,580	3,712,767	2,681,364	6,394,131
February - 2	4,802,593	3,409,987	8,212,580	3,670,852	2,661,089	6,331,941
9	4,802,593	3,409,987	8,212,580	3,610,925	2,663,449	6,274,374
16	4,802,593	3,409,987	8,212,580	3,563,496	2,667,513	6,231,009
23	4,802,593	3,409,987	8,212,580	3,543,251	2,639,855	6,183,106
March - 2	4,802,593	3,409,987	8,212,580	3,517,075	2,644,546	6,161,621
9	4,802,593	3,409,987	8,212,580	3,511,355	2,665,344	6,176,699
16	4,802,593	3,409,987	8,212,580	3,515,379	2,691,571	6,206,950
23	4,802,593	3,409,987	8,212,580	3,522,831	2,705,745	6,228,576
30	4,802,593	3,409,987	8,212,580	3,591,409	2,773,422	6,364,831
April - 6	4,802,593	3,409,987	8,212,580	3,700,825	2,850,293	6,551,118
13	4,802,593	3,409,987	8,212,580	3,757,209	2,813,568	6,570,777
20	4,802,593	3,409,987	8,212,580	3,754,672	2,883,213	6,637,885
27	4,802,593	3,409,987	8,212,580	3,769,432	2,913,532	6,682,964
May - 4	4,802,593	3,409,987	8,212,580	3,752,783	2,920,668	6,673,451
11	4,802,593	3,409,987	8,212,580	3,730,422	2,898,502	6,628,924
18	4,802,593	3,409,987	8,212,580	3,694,617	2,853,978	6,548,595
25	4,802,593	3,409,987	8,212,580	3,621,034	2,811,783	6,432,817
June - 1	4,802,593	3,409,987	8,212,580	3,562,881	2,753,649	6,316,530
8	4,802,593	3,409,987	8,212,580	3,531,859	2,712,822	6,244,681
15	4,802,593	3,409,987	8,212,580	3,495,564	2,702,654	6,198,218
22	4,788,893	3,409,987	8,198,880	3,489,452	2,716,168	6,205,620
29	4,788,893	3,409,987	8,198,880	3,512,101	2,705,470	6,217,571
July - 6	4,788,893	3,409,987	8,198,880	3,537,695	2,712,351	6,250,046
13	4,788,893	3,409,987	8,198,880	3,567,611	2,739,950	6,307,561
20	4,788,893	3,409,987	8,198,880	3,548,931	2,716,622	6,265,553
27	4,788,893	3,409,987	8,198,880	3,517,684	2,685,231	6,202,915

\- - - Joint Stock Banks in *England* and *Wales*, and the Actual Amount Issued, &c.—*continued.*

Authorised Issues of Scotch Banks.	Actual Issues of Scotch Banks.	Authorised Issues of Irish Banks.	Actual Issues of Irish Banks.	Coin held by Scotch Banks.	Coin held by Irish Banks.	Total Coin held by Scotch and Irish Banks.
£.	£.	£.	£.	£.	£.	£.
3,087,209	3,114,856	6,354,494	3,944,104	936,785	1,675,973	2,612,758
3,087,209	3,075,633	6,354,494	3,889,669	920,329	1,683,206	2,603,535
3,087,209	2,974,414	6,354,494	3,826,042	931,150	1,696,249	2,627,399
3,087,209	3,031,607	6,354,494	3,790,879	933,419	1,700,258	2,633,677
3,087,209	3,213,176	6,354,494	3,871,427	934,075	1,680,624	2,614,699
3,087,209	3,084,711	6,354,494	3,843,948	933,408	1,673,993	2,607,401
3,087,209	3,072,525	6,354,494	3,793,099	936,350	1,664,095	2,600,445
3,087,209	3,021,685	6,354,494	3,756,887	918,629	1,646,733	2,565,362
3,087,209	3,037,125	6,354,494	3,821,024	886,194	1,628,805	2,514,999
3,087,209	3,082,024	6,354,494	3,874,774	871,589	1,600,490	2,472,079
3,087,209	3,071,219	6,354,494	3,917,561	880,604	1,578,323	2,458,927
3,087,209	3,094,936	6,354,494	4,021,175	879,622	1,566,044	2,445,666
3,087,209	3,148,295	6,354,494	4,181,356	875,941	1,556,710	2,432,651
3,087,209	3,240,046	6,354,494	4,415,630	874,147	1,523,790	2,397,937
3,087,209	3,260,660	6,354,494	4,646,864	884,559	1,506,779	2,391,338
3,087,209	3,268,766	6,354,494	4,682,205	890,881	1,496,822	2,387,703
3,087,209	3,205,663	6,354,494	4,685,508	908,487	1,495,050	2,403,537
3,087,209	3,391,776	6,354,494	4,730,486	905,960	1,471,299	2,377,259
3,087,209	3,425,788	6,354,494	4,719,267	902,904	1,461,273	2,364,177
3,087,209	3,528,751	6,354,494	4,682,047	902,362	1,476,165	2,378,527
3,087,209	3,560,859	6,354,494	4,617,808	903,466	1,453,403	2,356,869
3,087,209	3,485,367	6,354,494	4,677,409	903,293	1,460,964	2,364,257
3,087,209	3,369,688	6,354,494	4,662,165	906,743	1,449,322	2,356,065
3,087,209	3,256,341	6,354,494	4,654,540	895,848	1,457,994	2,353,842
3,087,209	3,173,495	6,354,494	4,646,400	907,249	1,440,300	2,347,549
3,087,209	3,170,294	6,354,494	4,574,919	889,663	1,462,693	2,352,356
3,087,209	3,193,687	6,354,494	4,661,443	890,479	1,472,888	2,363,367
3,087,209	3,143,356	6,354,494	4,679,855	905,027	1,489,568	2,394,595
3,087,209	3,070,655	6,354,494	4,668,932	927,332	1,495,938	2,423,270
3,087,209	3,043,758	6,354,494	4,669,092	939,647	1,521,466	2,461,113
3,087,209	3,135,683	6,354,494	4,693,068	942,059	1,528,614	2,470,673
3,087,209	3,076,417	6,354,494	4,665,877	945,955	1,536,966	2,482,921
3,087,209	3,036,903	6,354,494	4,614,879	960,944	1,554,753	2,515,697
3,087,209	2,968,867	6,354,494	4,569,148	940,447	1,531,811	2,472,258
3,087,209	3,080,050	6,354,494	4,591,113	949,429	1,499,724	2,449,153
3,087,209	3,015,252	6,354,494	4,499,899	917,648	1,500,627	2,418,275
3,087,209	2,935,142	6,354,494	4,464,962	926,570	1,501,067	2,427,637
3,087,209	2,944,064	6,354,494	4,405,328	929,913	1,481,976	2,411,889
3,087,209	2,995,238	6,354,494	4,442,972	915,338	1,467,156	2,382,494
3,087,209	3,019,421	6,354,494	4,512,466	917,696	1,449,747	2,367,443
3,087,209	3,025,540	6,354,494	4,504,385	918,274	1,445,188	2,363,412
3,087,209	3,017,924	6,354,494	4,495,374	910,495	1,446,084	2,356,579
3,087,209	2,999,710	6,354,494	4,454,239	906,818	1,450,718	2,357,536
3,087,209	3,169,108	6,354,494	4,553,206	886,450	1,436,994	2,323,444
3,087,209	3,198,712	6,354,494	4,484,590	869,822	1,435,493	2,305,315
3,087,209	3,411,383	6,354,494	4,383,316	855,095	1,437,768	2,292,863
3,087,209	3,567,236	6,354,494	4,291,361	861,458	1,444,926	2,306,384
3,087,209	3,586,076	6,354,494	4,271,838	844,473	1,439,403	2,283,876
3,087,209	3,414,722	6,354,494	4,238,462	855,751	1,402,595	2,258,346
3,087,209	3,368,095	6,354,494	4,165,593	863,796	1,408,692	2,272,488
3,087,209	3,235,707	6,354,494	4,127,143	860,102	1,417,054	2,277,156
3,087,209	3,223,312	6,354,494	4,102,408	857,482	1,425,058	2,282,540
3,087,209	3,207,385	6,354,494	4,194,297	834,968	1,422,797	2,257,765
3,087,209	3,287,709	6,354,494	4,155,436	827,719	1,428,680	2,256,399
3,087,209	3,099,806	6,354,494	4,056,367	841,810	1,440,558	2,282,368
3,087,209	3,090,493	6,354,494	4,034,892	834,439	1,441,431	2,275,870

(*continued*)

A RETURN showing the authorised Issues of the Notes of the Private and - - - -

DATE.	Authorised Issues of English Country Banks.			Actual Issues of English Country Banks.		
	Private.	Joint Stock.	TOTAL.	Private.	Joint Stock.	TOTAL.
1850:	£.	£.	£.	£.	£.	£.
August - 3	4,788,893	3,409,987	8,198,880	3,485,804	2,652,624	6,138,428
10	4,788,893	3,409,987	8,198,880	3,445,891	2,635,653	6,081,544
17	4,788,893	3,409,987	8,198,880	3,421,680	2,621,886	6,043,566
24	4,788,893	3,409,987	8,198,880	3,400,824	2,599,473	6,000,297
31	4,788,893	3,409,987	8,198,880	3,403,277	2,604,978	6,008,255
September 7	4,788,893	3,409,987	8,198,880	3,422,284	2,619,695	6,041,979
14	4,788,893	3,409,987	8,198,880	3,430,775	2,635,508	6,066,283
21	4,788,893	3,409,987	8,198,880	3,450,421	2,683,495	6,133,916
28	4,788,893	3,409,987	8,198,880	3,531,140	2,731,980	6,263,120
October - 5	4,788,893	3,409,987	8,198,880	3,666,828	2,809,728	6,476,556
12	4,788,893	3,409,987	8,198,880	3,769,790	2,906,480	6,676,270
19	4,788,893	3,409,987	8,198,880	3,817,160	2,936,527	6,753,687
26	4,788,893	3,409,987	8,198,880	3,797,760	2,897,066	6,694,826
November 2	4,788,893	3,409,987	8,198,880	3,752,416	2,837,023	6,589,439
9	4,788,893	3,409,987	8,198,880	3,700,423	2,829,117	6,529,540
16	4,788,893	3,409,987	8,198,880	3,630,943	2,810,372	6,441,315
23	4,788,893	3,409,987	8,198,880	3,580,364	2,769,223	6,349,587
30	4,788,893	3,409,987	8,198,880	3,531,380	2,747,622	6,279,002
December - 7	4,788,893	3,409,987	8,198,880	3,482,926	2,705,311	6,188,237
14	4,788,893	3,409,987	8,198,880	3,459,015	2,682,947	6,141,962
21	4,788,893	3,409,987	8,198,880	3,424,869	2,676,185	6,101,054
28	4,788,893	3,409,987	8,198,880	3,437,748	2,676,758	6,114,506
1851:						
January - 4	4,767,546	3,409,987	8,177,533	3,492,373	2,665,456	6,157,829
11	4,767,546	3,409,987	8,177,533	3,605,613	2,754,457	6,360,070
18	4,767,546	3,409,987	8,177,533	3,610,795	2,769,816	6,380,611
25	4,767,546	3,409,987	8,177,533	3,584,511	2,724,790	6,309,301
February - 1	4,767,546	3,409,987	8,177,533	3,536,493	2,689,556	6,226,049
8	4,767,546	3,409,987	8,177,533	3,499,620	2,694,191	6,193,811
15	4,767,546	3,409,987	8,177,533	3,460,444	2,701,352	6,161,796
22	4,767,546	3,409,987	8,177,533	3,399,237	2,671,319	6,070,556
March - 1	4,767,546	3,409,987	8,177,533	3,379,337	2,663,939	6,043,276
8	4,767,546	3,409,987	8,177,533	3,394,476	2,679,503	6,073,979
15	4,767,546	3,409,987	8,177,533	3,383,470	2,692,800	6,076,270
22	4,767,546	3,409,987	8,177,533	3,390,618	2,706,781	6,097,399
29	4,753,269	3,409,987	8,163,256	3,467,874	2,785,884	6,253,758
April - 5	4,753,269	3,409,987	8,163,256	3,569,788	2,864,803	6,434,591
12	4,753,269	3,409,987	8,163,256	3,655,494	2,938,488	6,593,982
19	4,753,269	3,409,987	8,163,256	3,671,983	2,934,397	6,606,380
26	4,753,269	3,409,987	8,163,256	3,720,703	2,976,297	6,697,000
May - - 3	4,753,269	3,409,987	8,163,256	3,701,448	2,966,175	6,667,623
10	4,740,779	3,409,987	8,150,766	3,691,283	2,957,398	6,648,681
17	4,740,779	3,409,987	8,150,766	3,660,431	2,932,774	6,593,205
24	4,740,779	3,409,987	8,150,766	3,584,460	2,862,438	6,446,898
31	4,740,779	3,409,987	8,150,766	3,508,293	2,801,746	6,310,039
June - - 7	4,740,779	3,409,987	8,150,766	3,489,969	2,785,602	6,275,571
14	4,740,779	3,409,987	8,150,766	3,472,393	2,771,358	6,243,751
21	4,740,779	3,409,987	8,150,766	3,444,344	2,745,200	6,189,544
28	4,740,779	3,409,987	8,150,766	3,445,365	2,728,811	6,174,176
July - - 5	4,706,685	3,409,987	8,116,672	3,432,576	2,720,140	6,152,716
12	4,706,685	3,409,987	8,116,672	3,450,464	2,730,025	6,180,489
19	4,706,685	3,409,987	8,116,672	3,412,121	2,719,071	6,131,192
26	4,706,685	3,409,987	8,116,672	3,373,523	2,679,899	6,053,422
August - 2	4,706,685	3,409,987	8,116,672	3,319,961	2,619,352	5,939,313
9	4,706,685	3,409,987	8,116,672	3,284,434	2,592,239	5,876,673
16	4,706,685	3,409,987	8,116,672	3,248,098	2,593,651	5,841,749
23	4,706,685	3,409,987	8,116,672	3,216,174	2,567,329	5,783,503
30	4,706,685	3,409,987	8,116,672	3,201,291	2,553,955	5,755,246

- - - Joint Stock Banks in *England* and *Wales*, and the Actual Amount Issued, &c.—*continued.*

Authorised Issues of Scotch Banks.	Actual Issues of Scotch Banks.	Authorised Issues of Irish Banks.	Actual Issues of Irish Banks.	Coin held by Scotch Banks.	Coin held by Irish Banks.	Total Coin held by Scotch and Irish Banks.
£.	£.	£.	£.	£.	£.	£.
3,087,209	3,326,633	6,354,494	4,117,911	832,134	1,416,358	2,248,492
3,087,209	3,173,719	6,354,494	4,103,856	824,449	1,395,066	2,219,515
3,087,209	3,171,995	6,354,494	4,093,150	825,978	1,380,776	2,206,754
3,087,209	3,117,122	6,354,494	4,106,059	822,518	1,363,178	2,185,696
3,087,209	3,171,364	6,354,494	4,161,333	823,762	1,344,072	2,167,834
3,087,209	3,234,678	6,354,494	4,255,382	818,156	1,318,593	2,136,749
3,087,209	3,207,229	6,354,494	4,298,061	816,755	1,289,899	2,106,654
3,087,209	3,202,274	6,354,494	4,397,440	824,986	1,277,384	2,102,370
3,087,209	3,253,464	6,354,494	4,538,109	825,946	1,283,466	2,109,412
3,087,209	3,307,433	6,354,494	4,744,235	826,489	1,255,898	2,082,387
3,087,209	3,313,396	6,354,494	4,903,695	828,639	1,239,738	2,068,377
3,087,209	3,305,989	6,354,494	4,993,928	841,828	1,226,039	2,067,867
3,087,209	3,279,885	6,354,494	5,030,965	845,459	1,231,736	2,077,195
3,087,209	3,375,209	6,354,494	5,048,646	859,125	1,234,123	2,093,248
3,087,209	3,524,871	6,354,494	5,017,836	883,384	1,234,305	2,117,689
3,087,209	3,590,660	6,354,494	4,921,667	896,129	1,266,793	2,162,922
3,087,209	3,694,659	6,354,494	4,898,697	909,127	1,275,122	2,184,249
3,087,209	3,566,815	6,354,494	4,936,483	967,466	1,282,541	2,250,007
3,087,209	3,533,688	6,354,494	4,954,370	975,586	1,277,584	2,253,170
3,087,209	3,350,682	6,354,494	4,898,622	992,790	1,288,830	2,281,620
3,087,209	3,241,689	6,354,494	4,833,761	967,600	1,277,674	2,245,274
3,087,209	3,256,559	6,354,494	4,741,093	972,808	1,288,536	2,261,344
3,087,209	3,410,478	6,354,494	4,793,657	952,361	1,304,209	2,256,570
3,087,209	3,277,881	6,354,494	4,813,032	953,903	1,366,810	2,320,713
3,087,209	3,174,637	6,354,494	4,771,230	971,945	1,379,381	2,351,326
3,087,209	3,146,970	6,354,494	4,752,689	906,395	1,391,645	2,298,040
3,087,209	3,179,389	6,354,494	4,791,163	953,323	1,400,750	2,354,073
3,087,209	3,199,345	6,354,494	4,781,003	953,685	1,403,550	2,357,235
3,087,209	3,103,162	6,354,494	4,728,993	960,398	1,408,869	2,369,267
3,087,209	3,071,023	6,354,494	4,663,049	946,563	1,418,232	2,364,795
3,087,209	3,062,884	6,354,494	4,696,011	952,480	1,415,226	2,367,706
3,087,209	3,040,186	6,354,494	4,650,179	948,805	1,412,187	2,360,992
3,087,209	3,002,447	6,354,494	4,597,732	940,720	1,411,902	2,352,622
3,087,209	3,027,444	6,354,494	4,539,738	933,091	1,408,496	2,341,587
3,087,209	3,001,115	6,354,494	4,504,814	923,698	1,408,778	2,332,476
3,087,209	3,120,931	6,354,494	4,588,192	912,859	1,387,445	2,300,304
3,087,209	3,087,326	6,354,494	4,583,912	914,236	1,338,539	2,252,775
3,087,209	3,120,303	6,354,494	4,580,602	919,114	1,333,699	2,252,813
3,087,209	3,078,999	6,354,494	4,515,919	922,483	1,322,394	2,244,877
3,087,209	3,205,032	6,354,494	4,605,386	916,041	1,315,011	2,231,052
3,087,209	3,243,702	6,354,494	4,546,061	926,150	1,328,997	2,255,147
3,087,209	3,490,174	6,354,494	4,448,531	902,846	1,330,359	2,233,205
3,087,209	3,501,666	6,354,494	4,381,790	888,354	1,337,086	2,225,440
3,087,209	3,537,107	6,354,494	4,280,312	878,985	1,302,948	2,181,933
3,087,209	3,449,245	6,354,494	4,244,125	874,693	1,298,483	2,173,176
3,087,209	3,408,684	6,354,494	4,169,456	874,811	1,294,514	2,169,325
3,087,209	3,288,300	6,354,494	4,101,206	874,055	1,298,829	2,172,884
3,087,209	3,194,372	6,354,494	4,006,488	871,623	1,297,657	2,169,280
3,087,209	3,214,767	6,354,494	4,069,462	828,420	1,285,005	2,113,425
3,087,209	3,164,341	6,354,494	4,047,947	821,674	1,273,055	2,094,729
3,087,209	3,220,988	6,354,494	3,971,017	795,073	1,274,368	2,069,441
3,087,209	3,056,927	6,354,494	3,953,117	800,725	1,276,636	2,077,361
3,087,209	3,178,941	6,354,494	3,987,275	787,650	1,264,391	2,052,041
3,087,209	3,164,766	6,354,494	4,002,340	758,881	1,222,759	1,981,640
3,087,209	3,196,057	6,354,494	3,966,454	765,943	1,197,126	1,963,069
3,087,209	3,075,352	6,354,494	3,941,695	761,483	1,161,414	1,922,897
3,087,209	3,098,291	6,354,494	3,933,944	766,868	1,159,814	1,926,682

A RETURN showing the authorised Issues of the Notes of the Private and - - - -

DATE.	Authorised Issues of English Country Banks.			Actual Issues of English Country Banks.		
	Private.	Joint Stock.	TOTAL.	Private.	Joint Stock.	TOTAL.
1851:	£.	£.	£.	£.	£.	£.
September - 6	4,706,685	3,409,987	8,116,672	3,211,572	2,564,759	5,776,331
13	4,706,685	3,409,987	8,116,672	3,228,574	2,608,857	5,837,431
20	4,706,685	3,409,987	8,116,672	3,263,050	2,643,214	5,906,264
27	4,706,685	3,409,987	8,116,672	3,341,872	2,702,250	6,044,122
October - 4	4,698,085	3,409,987	8,108,072	3,463,804	2,784,814	6,248,618
11	4,698,085	3,409,987	8,108,072	3,570,806	2,866,772	6,437,578
18	4,698,085	3,409,987	8,108,072	3,636,415	2,903,800	6,540,215
25	4,698,085	3,409,987	8,108,072	3,622,095	2,865,094	6,487,189
November - 1	4,698,085	3,409,987	8,108,072	3,591,964	2,806,859	6,398,823
8	4,698,085	3,409,987	8,108,072	3,572,623	2,812,939	6,385,562
15	4,698,085	3,409,987	8,108,072	3,517,663	2,801,689	6,319,352
22	4,698,085	3,409,987	8,108,072	3,475,284	2,778,207	6,253,491
29	4,698,085	3,409,987	8,108,072	3,433,267	2,740,974	6,174,241
December - 6	4,698,085	3,409,987	8,108,072	3,406,201	2,697,102	6,103,303
13	4,698,085	3,409,987	8,108,072	3,386,227	2,681,895	6,068,122
20	4,698,085	3,409,987	8,108,072	3,352,251	2,673,239	6,025,490
27	4,698,085	3,409,987	8,108,072	3,339,746	2,661,513	6,001,259
1852:						
January - 3	4,698,085	3,409,987	8,108,072	3,398,919	2,657,601	6,056,520
10	4,698,085	3,409,987	8,108,072	3,513,606	2,759,818	6,273,424
17	4,698,085	3,409,985	8,108,072	3,541,201	2,789,664	6,330,865
24	4,698,085	3,409,987	8,108,072	3,523,969	2,766,333	6,290,302
31	4,698,085	3,409,987	8,108,072	3,495,748	2,728,724	6,224,472
February - 7	4,698,085	3,409,987	8,108,072	3,460,084	2,727,308	6,187,392
14	4,698,085	3,409,987	8,108,072	3,432,304	2,723,067	6,155,371
21	4,698,085	3,409,987	8,108,072	3,382,777	2,716,135	6,098.912
28	4,698,085	3,409,987	8,108,072	3,373,582	2,705,993	6,079,575
March - 6	4,698,085	3,409,987	8,108,072	3,393,968	2,724,647	6,118,615
13	4,698,085	3,409,987	8,108,072	3,414,668	2,741,034	6,155,702
20	4,698,085	3,409,987	8,108,072	3,407,552	2,763,096	6,170,648
27	4,698,085	3,409,987	8,108,072	3,462,894	2,821,794	6,284,688
April - 3	4,698,085	3,409,987	8,108,072	3,546,730	2,878,089	6,424,819
10	4,698,085	3,409,987	8,108,072	3,645,623	2,963,996	6,609,619
17	4,698,085	3,409,987	8,108,072	3,662,858	2,973,891	6,636,749
24	4,698,085	3,409,987	8,108,072	3,672,071	2,980,180	6,652,251
May - 1	4,698,085	3,409,987	8,108,072	3,640,832	2,965,049	6,605,881
8	4,698,085	3,409,987	8,108,072	3,642,112	2,964,857	6,606,969
15	4,698,085	3,409,987	8,108,072	3,613,779	2,915,582	6,529,361
22	4,698,085	3,409,987	8,108,072	3,559,711	2,901,727	6,461,438
29	4,698,085	3,409,987	8,108,072	3,512,134	2,849,791	6,361,925
June - 5	4,698,085	3,409,987	8,108,072	3,496,045	2,838,375	6,334,420
12	4,698,085	3,409,987	8,108,072	3,451,613	2,812,360	6,263,973
19	4,698,085	3,409,987	8,108,072	3,419,168	2,791,329	6,210,497
26	4,698,085	3,409,987	8,108,072	3,424,239	2,794,489	6,218,728
July - 3	4,698,085	3,409,987	8,108,072	3,449,936	2,800,834	6,250,770
10	4,673,189	3,409,987	8,083,176	3,510,458	2,839,429	6,349,887
17	4,673,189	3,409,987	8,083,176	3,504,355	2,856,520	6,360,875
24	4,673,189	3,409,987	8,083,176	3,485,553	2,839,536	6,325,089
31	4,673,189	3,409,987	8,083,176	3,460,408	2,799,188	6,259,596
August - 7	4,673,189	3,409,987	8,083,176	3,456,534	2,759,088	6,215,622
14	4,673,189	3,409,987	8,083,176	3,438,547	2,758,674	6,197,221
21	4,673,189	3,409,987	8,083,176	3,396,003	2,754,108	6,150,111
28	4,655,629	3,409,987	8,065,616	3,387,125	2,756,032	6,143,157
September - 4	4,655,629	3,409,987	8,065,616	3,404,850	2,788,961	6,193,811
11	4,655,629	3,409,987	8,065,616	3,456,178	2,852,887	6,309,065
18	4,655,629	3,409,987	8,065,616	3,482,831	2,895,077	6,377,908
25	4,655,629	3,409,987	8,065,616	3,563,539	2,951,474	6,515,013

- - - Joint Stock Banks in *England* and *Wales*, and the Actual Amount Issued, &c.—*continued.*

Authorised Issues of Scotch Banks.	Actual Issues of Scotch Banks.	Authorised Issues of Irish Banks.	Actual Issues of Irish Banks.	Coin held by Scotch Banks.	Coin held by Irish Banks.	Total Coin, Scotch and Irish Banks.
£.	£.	£.	£.	£.	£.	£.
3,087,209	3,133,087	6,354,494	4,046,951	754,681	1,124,389	1,879,070
3,087,209	3,111,250	6,354,494	4,071,304	749,189	1,084,088	1,833,277
3,087,209	3,106,033	6,354,494	4,141,864	749,399	1,082,014	1,831,413
3,087,209	3,142,505	6,354,494	4,213,210	748,193	1,073,983	1,822,176
3,087,209	3,304,249	6,354,494	4,437,254	737,479	1,058,901	1,796,380
3,087,209	3,264,310	6,354,494	4,551,897	739,074	1,042,559	1,781,633
3,087,209	3,309,829	6,354,494	4,692,246	755,537	1,031,722	1,787,259
3,087,209	3,309,474	6,354,494	4,754,808	771,423	1,031,340	1,802,763
3,087,209	3,370,135	6,354,494	4,852,606	807,382	1,047,869	1,855,251
3,087,209	3,471,389	6,354,494	4,875,723	864,150	1,116,552	1,980,702
3,087,209	3,643,564	6,354,494	4,910,696	877,502	1,139,027	2,016,529
3,087,209	3,659,750	6,354,494	4,825,696	872,937	1,154,554	2,027,491
3,087,209	3,587,154	6,354,494	4,781,515	884,817	1,169,737	2,054,554
3,087,209	3,524,016	6,354,494	4,835,496	893,597	1,171,406	2,065,003
3,087,209	3,391,174	6,354,494	4,758,619	906,519	1,181,712	2,088,231
3,087,209	3,286,185	6,354,494	4,720,941	915,449	1,186,025	2,101,474
3,087,209	3,226,542	6,354,494	4,592,026	927,320	1,184,941	2,112,261
3,087,209	3,419,002	6,354,494	4,664,092	904,351	1,200,745	2,105,096
3,087,209	3,319,635	6,354,494	4,714,469	929,183	1,208,841	2,138,024
3,087,209	3,248,122	6,354,494	4,705,653	944,998	1,223,724	2,168,722
3,087,209	3,147,268	6,354,494	4,637,622	967,576	1,238,082	2,205,658
3,087,209	3,246,063	6,354,494	4,666,978	946,137	1,249,535	2,195,672
3,087,209	3,230,068	6,354,494	4,705,996	956,653	1,249,518	2,206,171
3,087,209	3,161,494	6,354,494	4,641,983	965,242	1,262,140	2,227,382
3,087,209	3,075,819	6,354,494	4,601,678	984,545	1,268,723	2,253,268
3,087,209	3,101,770	6,354,494	4,566,913	986,600	1,276,800	2,263,400
3,087,209	3,124,113	6,354,494	4,586,396	992,308	1,271,426	2,263,734
3,087,209	3,056,762	6,354,494	4,562,355	979,210	1,273,002	2,252,212
3,087,209	3,044,451	6,354,494	4,534,324	973,839	1,232,733	2,206,572
3,087,209	3,010,393	6,354,494	4,489,339	973,172	1,228,791	2,201,963
3,087,209	3,185,275	6,354,494	4,562,254	976,037	1,205,645	2,181,682
3,087,209	3,136,274	6,354,494	4,584,550	963,883	1,197,157	2,161,040
3,087,209	3,115,953	6,354,494	4,575,300	968,326	1,205,901	2,174,227
3,087,209	3,115,348	6,354,494	4,543,424	965,060	1,211,385	2,176,445
3,087,209	3,193,941	6,354,494	4,634,347	967,336	1,211,999	2,179,335
3,087,209	3,254,621	6,354,494	4,653,517	958,325	1,205,298	2,163,623
3,087,209	3,648,122	6,354,494	4,633,156	952,639	1,205,779	2,158,418
3,087,209	3,598,159	6,354,494	4,564,478	960,454	1,215,818	2,176,272
3,087,209	3,610,096	6,354,494	4,522,417	951,429	1,225,335	2,176,764
3,087,209	3,649,908	6,354,494	4,538,092	958,897	1,212,349	2,171,246
3,087,209	3,463,059	6,354,494	4,492,973	972,693	1,216,564	2,189,257
3,087,209	3,348,231	6,354,494	4,397,687	967,523	1,227,335	2,194,858
3,087,209	3,277,228	6,354,494	4,353,689	992,078	1,234,421	2,226,499
3,087,209	3,421,356	6,354,494	4,429,839	968,634	1,241,968	2,210,602
3,087,209	3,306,388	6,354,494	4,447,929	935,183	1,238,609	2,173,792
3,087,209	3,367,535	6,354,494	4,392,127	920,206	1,238,298	2,158,504
3,087,209	3,215,931	6,354,494	4,345,402	926,370	1,244,938	2,171,308
3,087,209	3,310,563	6,354,494	4,364,908	927,208	1,225,532	2,152,740
3,087,209	3,336,994	6,354,494	4,483,393	923,507	1,197,944	2,121,451
3,087,209	3,315,591	6,354,494	4,662,825	917,504	1,177,151	2,094,655
3,087,209	3,269,529	6,354,494	4,477,084	907,540	1,162,762	2,070,302
3,087,209	3,265,870	6,354,494	4,484,210	894,904	1,146,442	2,041,346
3,087,209	3,485,817	6,354,494	4,610,700	888,671	1,124,307	2,012,978
3,087,209	3,353,073	6,354,494	4,628,254	877,209	1,114,150	1,991,359
3,087,209	3,412,839	6,354,494	4,763,900	895,512	1,104,566	2,000,078
3,087,209	3,438,997	6,354,494	4,910,696	905,604	1,094,653	2,000,257

(*continued*)

A RETURN showing the authorised Issues of the Notes of the Private and - - - -

DATE.	Authorised Issues of English Country Banks.			Actual Issues of English Country Banks.		
	Private.	Joint Stock.	TOTAL.	Private.	Joint Stock.	TOTAL.
1852:	£.	£.	£.	£.	£.	£.
October - 2	4,655,629	3,409,987	8,065,616	3,700,137	3,019,590	6,719,727
9	4,655,629	3,409,987	8,065,616	3,827,081	3,105,824	6,932,905
16	4,655,629	3,409,987	8,065,616	3,904,471	3,159,353	7,063,824
23	4,655,629	3,409,987	8,065,616	3,894,691	3,077,673	6,972,364
30	4,655,629	3,409,987	8,065,616	3,867,609	2,980,764	6,848,373
November - 6	4,655,629	3,409,987	8,065,616	3,850,756	2,993,999	6,844,755
13	4,655,629	3,409,987	8,065,616	3,813,627	3,006,909	6,820,536
20	4,655,629	3,409,987	8,065,616	3,756,727	2,983,962	6,740,689
27	4,655,629	3,409,987	8,065,616	3,698,617	2,937,948	6,636,565
December - 4	4,655,629	3,409,987	8,065,616	3,670,310	2,911,237	6,581,547
11	4,655,629	3,409,987	8,065,616	3,647,619	2,910,803	6,558,422
18	4,655,629	3,409,987	8,065,616	3,642,551	2,918,270	6,560,821
25	4,655,629	3,409,987	8,065,616	3,631,611	2,916,002	6,547,613
1853:						
January - 1	4,655,629	3,409,987	8,065,616	3,651,433	2,912,091	6,563,524
8	4,655,629	3,409,987	8,065,616	3,773,647	2,989,356	6,763,003
15	4,655,629	3,409,987	8,065,616	3,834,089	3,045,753	6,879,842
22	4,655,629	3,409,987	8,065,616	3,826,969	3,011,139	6,838,108
29	4,655,629	3,409,987	8,065,616	3,797,224	2,998,928	6,796,152
February - 5	4,655,629	3,325,857	7,981,486	3,744,796	2,976,722	6,721,518
12	4,655,629	3,325,857	7,981,486	3,711,547	2,961,956	6,673,503
19	4,655,629	3,325,857	7,981,486	3,669,957	2,946,939	6,616,896
26	4,655,629	3,325,857	7,981,486	3,649,565	2,961,645	6,611,210
March - 5	4,655,629	3,325,857	7,981,486	3,654,226	2,977,228	6,631,454
12	4,655,629	3,325,857	7,981,486	3,683,870	3,013,493	6,697,363
19	4,655,629	3,325,857	7,981,486	3,698,501	3,022,179	6,720,680
26	4,655,629	3,325,857	7,981,486	3,770,455	3,098,520	6,868,975
April - 2	4,655,629	3,325,857	7,981,486	3,856,364	3,153,832	7,010,196
9	4,655,629	3,325,857	7,981,486	3,919,219	3,167,999	7,087,218
16	4,655,629	3,325,857	7,981,486	3,904,087	3,106,970	7,011,057
23	4,655,629	3,325,857	7,981,486	3,924,566	3,130,370	7,054,936
30	4,636,556	3,325,857	7,962,413	3,922,378	3,155,871	7,078,249
May - 7	4,636,556	3,325,857	7,962,413	3,902,185	3,142,516	7,044,701
14	4,636,556	3,325,857	7,962,413	3,890,991	3,111,781	7,002,772
21	4,636,556	3,325,857	7,962,413	3,852,436	3,129,983	6,982,419
28	4,636,556	3,325,857	7,962,413	3,765,678	3,054,761	6,820,439
June - 4	4,636,556	3,325,857	7,962,413	3,720,012	2,997,487	6,717,499
11	4,636,556	3,325,857	7,962,413	3,694,974	2,982,365	6,677,339
18	4,636,556	3,325,857	7,962,413	3,685,102	3,008,893	6,693,995
25	4,636,556	3,325,857	7,962,413	3,695,683	3,020,100	6,715,783
July - 2	4,636,556	3,325,857	7,962,413	3,718,863	3,011,202	6,730,065
9	4,636,556	3,325,857	7,962,413	3,773,102	3,031,111	6,804,213
16	4,636,556	3,325,857	7,962,413	3,753,708	3,045,502	6,799,210
23	4,636,556	3,325,857	7,962,413	3,731,774	3,027,921	6,759,695
30	4,636,556	3,325,857	7,962,413	3,692,739	2,966,057	6,658,796
August - 6	4,636,556	3,325,857	7,962,413	3,671,529	2,936,142	6,607,671
13	4,616,619	3,325,857	7,942,476	3,658,054	2,965,460	6,623,514
20	4,616,619	3,325,857	7,942,476	3,628,707	2,978,700	6,607,407
27	4,616,619	3,325,857	7,942,476	3,650,252	2,989,994	6,640,246
September - 3	4,616,619	3,325,857	7,942,476	3,656,216	3,004,385	6,660,601
10	4,616,619	3,325,857	7,942,476	3,694,387	3,044,598	6,738,985
17	4,616,619	3,325,857	7,942,476	3,741,099	3,072,672	6,813,771
24	4,616,619	3,325,857	7,942,476	3,815,332	3,091,925	6,907,257
October - 1	4,616,619	3,325,857	7,942,476	3,901,313	3,093,334	6,994,647
8	4,616,619	3,325,857	7,942,476	4,008,444	3,161,651	7,170,095
15	4,616,619	3,325,857	7,942,476	4,092,091	3,207,628	7,299,719
22	4,616,619	3,325,857	7,942,476	4,101,216	3,167,038	7,268,254
29	4,616,619	3,325,857	7,942,476	4,075,730	3,115,420	7,191,150

Joint Stock Banks in *England* and *Wales*, and the Actual Amount Issued, &c.—*continued.*

Authorised Issues of Scotch Banks.	Actual Issues of Scotch Banks.	Authorised Issues of Irish Banks.	Actual Issues of Irish Banks.	Coin held by Scotch Banks.	Coin held by Irish Banks.	Total Coin held by Scotch and Irish Banks.
£.	£.	£.	£.	£.	£.	£.
3,087,209	3,567,364	6,354,494	5,199,980	911,856	1,096,864	2,008,720
3,087,209	3,593,743	6,354,494	5,377,071	908,134	1,126,304	2,034,438
3,087,209	3,563,662	6,354,494	5,550,642	969,618	1,139,854	2,109,472
3,087,209	3,675,616	6,354,494	5,609,588	1,025,201	1,282,786	2,307,987
3,087,209	3,649,758	6,354,494	5,648,600	1,084,891	1,328,963	2,413,854
3,087,209	3,791,225	6,354,494	5,657,487	1,089,182	1,355,363	2,444,545
3,087,209	3,973,466	6,354,494	5,622,405	1,116,542	1,364,023	2,480,565
3,087,209	3,976,981	6,354,494	5,598,142	1,138,279	1,367,128	2,505,407
3,087,209	3,873,869	6,354,494	5,614,585	1,180,910	1,449,293	2,630,203
3,945,138	3,945,138	6,354,494	5,713,894	1,196,642	1,475,197	2,671,839
3,087,209	3,766,042	6,354,494	5,687,550	1,212,273	1,479,648	2,691,921
3,087,209	3,666,344	6,354,494	5,674,370	1,212,358	1,482,856	2,695,214
3,087,209	3,678,760	6,354,494	5,665,957	1,232,608	1,474,909	2,707,517
3,087,209	3,772,648	6,354,494	5,634,627	1,181,005	1,494,481	2,675,486
3,087,209	3,634,591	6,354,494	5,715,912	1,202,787	1,507,096	2,709,883
3,087,209	3,564,361	6,354,494	5,709,136	1,204,714	1,490,891	2,695,605
3,087,209	3,479,254	6,354,494	5,698,940	1,223,296	1,503,488	2,726,784
3,087,209	3,536,475	6,354,494	5,684,231	1,218,694	1,511,067	2,729,761
3,087,209	3,602,303	6,354,494	5,749,347	1,177,260	1,509,692	2,686,952
3,087,209	3,544,406	6,354,494	5,687,783	1,180,973	1,515,857	2,696,830
3,087,209	3,436,765	6,354,494	5,604,405	1,181,532	1,528,860	2,710,392
3,087,209	3,417,051	6,354,494	5,537,109	1,184,453	1,542,778	2,727,231
3,087,209	3,454,012	6,354,494	5,548,303	1,160,479	1,541,881	2,702,360
3,087,209	3,460,282	6,354,494	5,501,454	1,136,216	1,538,451	2,674,667
3,087,209	3,444,254	6,354,494	5,495,317	1,148,920	1,532,540	2,681,460
3,087,209	3,422,060	6,354,494	5,540,547	1,148,228	1,485,127	2,633,355
3,087,209	3,460,878	6,354,494	5,523,861	1,147,336	1,477,743	2,625,079
3,087,209	3,516,188	6,354,494	5,515,456	1,131,726	1,464,964	2,596,690
3,087,209	3,571,381	6,354,494	5,482,680	1,166,227	1,459,748	2,625,975
3,087,209	3,521,619	6,354,494	5,457,786	1,156,125	1,455,613	2,611,738
3,087,209	3,583,475	6,354,494	5,504,807	1,160,234	1,445,851	2,606,085
3,087,209	3,670,989	6,354,494	5,569,980	1,147,784	1,442,838	2,590,622
3,087,209	3,973,254	6,354,494	5,501,618	1,142,413	1,444,457	2,586,870
3,087,209	4,034,380	6,354,494	5,419,329	1,188,792	1,408,652	2,597,444
3,087,209	4,096,229	6,354,494	5,354,592	1,227,924	1,412,023	2,639,947
3,087,209	4,095,042	6,354,494	5,401,260	1,284,329	1,428,658	2,712,987
3,087,209	3,879,264	6,354,494	5,289,503	1,317,525	1,432,786	2,750,311
3,087,209	3,789,767	6,354,494	5,188,124	1,311,680	1,442,618	2,754,298
3,087,209	3,710,631	6,354,494	5,123,110	1,325,409	1,449,052	2,774,461
3,087,209	3,776,474	6,354,494	5,172,465	1,291,190	1,453,779	2,744,969
3,087,209	3,769,699	6,354,494	5,210,816	1,236,864	1,459,721	2,696,585
3,087,209	3,820,203	6,354,494	5,159,995	1,176,936	1,486,458	2,663,394
3,087,209	3,644,811	6,354,494	5,103,513	1,219,391	1,463,413	2,682,804
3,087,209	3,729,120	6,354,494	5,114,236	1,179,497	1,471,097	2,650,594
3,087,209	3,791,062	6,354,494	5,251,127	1,174,867	1,454,383	2,629,250
3,087,209	3,747,421	6,354,494	5,207,216	1,162,295	1,448,143	2,610,438
3,087,209	3,677,602	6,354,494	5,182,904	1,175,049	1,440,569	2,615,618
3,087,209	3,657,929	6,354,494	5,209,213	1,178,575	1,448,547	2,627,122
3,087,209	3,832,633	6,354,494	5,322,221	1,180,338	1,454,072	2,634,410
3,087,209	3,788,505	6,354,494	5,352,274	1,169,490	1,446,344	2,615,834
3,087,209	3,794,909	6,354,494	5,453,619	1,187,947	1,493,203	2,681,150
3,087,209	3,841,141	6,354,494	5,510,244	1,188,143	1,526,493	2,714,636
3,087,209	3,948,378	6,354,494	5,727,819	1,188,931	1,586,343	2,775,274
3,087,209	4,016,839	6,354,494	6,034,011	1,187,555	1,599,620	2,787,175
3,087,209	3,963,762	6,354,494	6,274,099	1,288,760	1,746,843	3,035,603
3,087,209	3,974,806	6,354,494	6,362,400	1,301,521	1,891,981	3,193,502
3,087,209	3,995,357	6,354,494	6,397,706	1,374,956	1,927,333	3,302,289

A RETURN showing the authorised Issues of the Notes of the Private and - - -

DATE.	Authorised Issues of English Country Banks.			Actual Issues of English Country Banks.		
	Private.	Joint Stock.	TOTAL.	Private.	Joint Stock.	TOTAL.
1853:	£.	£.	£.	£.	£.	£.
November - 5	4,616,619	3,325,857	7,942,476	4,039,755	3,109,935	7,149,690
12	4,616,619	3,325,857	7,942,476	3,991,808	3,142,514	7,134,322
19	4,616,619	3,325,857	7,942,476	3,937,665	3,129,467	7,067,132
26	4,616,619	3,325,857	7,942,476	3,899,762	3,101,563	7,001,325
December - 3	4,616,619	3,325,857	7,942,476	3,870,732	3,081,739	6,952,471
10	4,616,619	3,325,857	7,942,476	3,840,451	3,065,714	6,906,165
17	4,616,619	3,325,857	7,942,476	3,817,131	3,043,302	6,860,433
24	4,616,619	3,325,857	7,942,476	3,806,707	3,033,600	6,840,307
31	4,616,619	3,325,857	7,942,476	3,833,492	3,036,256	6,869,748
1854:						
January - 7	4,616,619	3,325,857	7,942,476	3,900,045	3,060,464	6,960,509
14	4,616,619	3,325,857	7,942,476	3,969,180	3,132,717	7,101,897
21	4,616,619	3,325,857	7,942,476	3,955,518	3,096,397	7,051,915
28	4,616,619	3,325,857	7,942,476	3,942,631	3,077,395	7,020,026
February - 4	4,616,619	3,325,857	7,942,476	3,919,585	3,058,583	6,978,168
11	4,616,619	3,325,857	7,942,476	3,880,057	3,053,432	6,933,489
18	4,616,619	3,325,857	7,942,476	3,841,839	3,044,426	6,886,265
25	4,616,619	3,325,857	7,942,476	3,817,915	3,055,082	6,872,997
March - 4	4,616,619	3,325,857	7,942,476	3,817,451	3,068,703	6,886,154
11	4,616,619	3,325,857	7,942,476	3,820,096	3,088,573	6,908,669
18	4,616,619	3,325,857	7,942,476	3,791,697	3,093,191	6,884,888
25	4,616,619	3,325,857	7,942,476	3,807,984	3,137,564	6,945,548
April - 1	4,616,619	3,325,857	7,942,476	3,874,575	3,180,754	7,055,329
8	4,616,619	3,325,857	7,942,476	3,953,638	3,169,847	7,123,485
15	4,616,619	3,325,857	7,942,476	3,970,934	3,124,448	7,095,382
22	4,616,619	3,325,857	7,942,476	3,978,128	3,151,025	7,129,153
29	4,616,619	3,325,857	7,942,476	3,969,211	3,147,218	7,116,429
May - 6	4,616,619	3,325,857	7,942,476	3,945,242	3,127,684	7,072,926
13	4,616,619	3,325,857	7,942,476	3,906,376	3,114,822	7,021,198
20	4,616,619	3,325,857	7,942,476	3,837,630	3,106,953	6,944,583
27	4,616,619	3,325,857	7,942,476	3,765,817	3,030,183	6,796,000
June - 3	4,616,619	3,325,857	7,942,476	3,734,093	2,993,741	6,727,834
10	4,609,882	3,325,857	7,935,739	3,700,081	2,962,019	6,662,050
17	4,609,882	3,325,857	7,935,739	3,637,498	2,952,047	6,589,545
24	4,609,882	3,325,857	7,935,739	3,615,354	2,934,274	6,549,628
July - 1	4,609,882	3,325,857	7,935,739	3,605,109	2,910,171	6,515,280
8	4,609,882	3,325,857	7,935,739	3,638,774	2,925,173	6,563,947
15	4,609,882	3,325,857	7,935,739	3,616,687	2,930,235	6,546,922
22	4,609,882	3,325,857	7,935,739	3,594,716	2,912,966	6,507,682
29	4,609,882	3,325,857	7,935,739	3,549,765	2,860,161	6,409,926
August - 5	4,609,882	3,325,857	7,935,739	3,520,782	2,829,652	6,350,434
12	4,609,882	3,325,857	7,935,739	3,499,233	2,847,759	6,346,992
19	4,609,882	3,325,857	7,935,739	3,475,133	2,846,855	6,321,988
26	4,609,882	3,325,857	7,935,739	3,481,482	2,852,170	6,333,652
September - 2	4,609,882	3,325,857	7,935,739	3,484,359	2,868,860	6,353,219
9	4,609,882	3,325,857	7,935,739	3,519,473	2,896,889	6,416,362
16	4,609,882	3,325,857	7,935,739	3,551,072	2,952,917	6,503,989
23	4,609,882	3,325,857	7,935,739	3,607,334	3,002,763	6,610,097
30	4,609,882	3,325,857	7,935,739	3,721,719	3,064,952	6,786,671
October - 7	4,609,882	3,325,857	7,935,739	3,874,823	3,142,073	7,016,896
14	4,609,882	3,325,857	7,935,739	4,003,955	3,158,997	7,162,952
21	4,609,882	3,325,857	7,935,739	4,005,657	3,132,060	7,137,717
28	4,609,882	3,325,857	7,935,739	3,985,783	3,125,842	7,111,625
November - 4	4,609,882	3,325,857	7,935,739	3,988,910	3,156,559	7,145,469
11	4,609,882	3,325,857	7,935,739	3,979,489	3,168,733	7,148,222
18	4,609,882	3,325,857	7,935,739	3,926,372	3,126,001	7,052,373
25	4,609,882	3,325,857	7,935,739	3,898,692	3,098,501	6,997,193
December - 2	4,609,882	3,325,857	7,935,739	3,885,394	3,095,978	6,981,372
9	4,609,882	3,325,857	7,935,739	3,850,702	3,077,401	6,928,103
16	4,609,882	3,325,857	7,935,739	3,828,590	3,057,878	6,886,468
23	4,609,882	3,325,857	7,935,739	3,830,950	3,059,677	6,890,627
30	4,609,882	3,325,857	7,935,739	3,664,941	3,055,862	6,720,803

Joint Stock Banks in *England* and *Wales*, and the Actual Amount Issued, &c.—*continued.*

Authorised Issues of Scotch Banks.	Actual Issues of Scotch Banks.	Authorised Issues of Irish Banks.	Actual Issues of Irish Banks.	Coin held by Scotch Banks.	Coin held by Irish Banks.	Total Coin held by Scotch and Irish Banks.
£.	£.	£.	£.	£.	£.	£.
3,087,209	4,094,645	6,354,494	6,411,229	1,411,503	1,938,616	3,350,119
3,087,209	4,358,338	6,354,494	6,407,471	1,444,631	1,951,212	3,395,843
3,087,209	4,337,275	6,354,494	6,356,880	1,536,065	1,970,954	3,507,019
3,087,209	4,355,706	6,354,494	6,341,312	1,582,960	1,984,118	3,567,078
3,087,209	4,347,354	6,354,494	6,470,360	1,579,013	1,988,520	3,567,533
3,087,209	4,109,458	6,354,494	6,452,153	1,574,339	1,963,715	3,538,054
3,087,209	4,023,962	6,354,494	6,457,802	1,560,216	1,966,329	3,526,545
3,087,209	3,970,398	6,354,494	6,432,602	1,523,142	1,954,326	3,477,468
3,087,209	4,162,994	6,354,494	6,362,743	1,475,203	1,982,014	3,457,217
3,087,209	3,970,568	6,354,494	6,455,578	1,458,939	1,991,473	3,450,412
3,087,209	3,934,923	6,354,494	6,620,691	1,450,203	1,952,558	3,402,761
3,087,209	3,924,047	6,354,494	6,719,914	1,486,423	1,958,899	3,445,322
3,087,209	3,902,017	6,354,494	6,761,105	1,462,552	1,988,374	3,450,926
3,087,209	4,182,540	6,354,494	6,830,865	1,462,343	2,108,209	3,570,552
3,087,209	3,950,146	6,354,494	6,839,624	1,439,996	2,138,058	3,578,054
3,087,209	3,861,758	6,354,494	6,747,237	1,457,475	2,162,474	3,619,949
3,087,209	3,816,801	6,354,494	6,730,341	1,451,216	2,167,938	3,619,154
3,087,209	4,023,900	6,354,494	6,759,043	1,480,629	2,167,893	3,648,522
3,087,209	3,755,216	6,354,494	6,696,284	1,455,059	2,142,516	3,597,575
3,087,209	3,781,552	6,354,494	6,657,456	1,471,210	2,144,628	3,615,838
3,087,209	3,735,110	6,354,494	6,595,507	1,458,128	2,132,365	3,590,493
3,087,209	3,833,697	6,354,494	6,639,000	1,469,667	2,065,527	3,535,194
3,087,209	3,897,952	6,354,494	6,667,268	1,426,057	2,052,403	3,478,460
3,087,209	3,869,654	6,354,494	6,663,878	1,439,098	2,042,173	3,481,271
3,087,209	3,830,637	6,354,494	6,589,863	1,432,514	2,063,502	3,496,016
3,087,209	3,888,661	6,354,494	6,621,927	1,447,629	2,042,785	3,490,414
3,087,209	3,992,852	6,354,494	6,621,104	1,466,159	2,012,305	3,478,464
3,087,209	4,158,289	6,354,494	6,509,195	1,498,487	2,003,535	3,502,022
3,087,209	4,403,875	6,354,494	6,318,420	1,598,673	2,004,338	3,603,011
3,087,209	4,361,741	6,354,494	6,212,011	1,616,262	1,954,038	3,570,300
3,087,209	4,358,833	6,354,494	6,158,671	1,655,207	1,879,905	3,535,112
3,087,209	4,151,969	6,354,494	6,032,061	1,667,649	1,872,744	3,540,393
3,087,209	4,090,496	6,354,494	5,884,486	1,642,815	1,819,498	3,462,313
3,087,209	3,975,183	6,354,494	5,778,456	1,595,615	1,834,879	3,430,494
3,087,209	4,042,465	6,354,494	5,774,662	1,589,641	1,796,785	3,386,426
3,087,209	3,974,117	6,354,494	5,767,853	1,537,516	1,806,356	3,343,872
3,087,209	4,128,349	6,354,494	5,685,259	1,512,188	1,823,399	3,335,587
3,087,209	3,874,921	6,354,494	5,591,377	1,533,821	1,836,992	3,370,813
3,087,209	3,888,816	6,354,494	5,579,869	1,515,980	1,847,715	3,363,695
3,087,209	3,958,241	6,354,494	5,599,772	1,495,294	1,833,338	3,328,632
3,087,209	3,924,157	6,354,494	5,550,580	1,481,550	1,826,236	3,307,786
3,087,209	3,901,685	6,354,494	5,541,485	1,502,537	1,819,702	3,322,239
3,087,209	3,790,243	6,354,494	5,573,997	1,495,133	1,813,324	3,308,457
3,087,209	3,853,700	6,354,494	5,643,590	1,501,941	1,800,910	3,302,851
3,087,209	3,921,741	6,354,494	5,628,185	1,445,565	1,794,284	3,239,849
3,087,209	3,941,426	6,354,494	5,631,786	1,492,699	1,795,265	3,287,964
3,087,209	3,998,334	6,354,494	5,646,709	1,489,432	1,814,876	3,304,308
3,087,209	4,021,335	6,354,494	5,787,600	1,425,602	1,825,016	3,250,618
3,087,209	4,178,340	6,354,494	6,123,884	1,461,145	1,861,931	3,323,076
3,087,209	4,194,338	6,354,494	6,289,922	1,480,935	1,896,589	3,377,524
3,087,209	4,182,237	6,354,494	6,468,960	1,568,525	1,897,572	3,466,097
3,087,209	4,173,619	6,354,494	6,489,563	1,610,678	1,966,482	3,577,160
3,087,209	4,315,153	6,354,494	6,631,154	1,765,346	1,970,624	3,735,970
3,087,209	4,513,662	6,354,494	6,682,136	1,842,661	1,975,771	3,818,432
3,087,209	4,462,735	6,354,494	6,670,619	1,806,952	2,000,003	3,806,955
3,087,209	4,516,100	6,354,494	6,649,344	1,804,083	2,009,060	3,813,143
3,087,209	4,516,388	6,354,494	6,759,637	1,811,137	2,031,315	3,842,452
3,087,209	4,347,087	6,354,494	6,760,510	1,804,187	2,049,702	3,853,889
3,087,209	4,278,630	6,354,494	6,692,774	1,816,837	2,082,516	3,899,353
3,087,209	4,122,294	6,354,494	6,677,682	1,799,209	2,051,503	3,850,712
3,087,209	4,291,113	6,354,494	6,604,365	1,733,792	2,080,166	3,813,958

A RETURN showing the authorised Issues of the Notes of the Private and - - -

DATE.	Authorised Issues of English Country Banks.			Actual Issues of English Country Banks.		
	Private.	Joint Stock.	TOTAL.	Private.	Joint Stock.	TOTAL.
1855:	£.	£.	£.	£.	£.	£.
January - 6	4,609,882	3,325,857	7,935,739	3,944,265	3,098,912	7,043,117
13	4,609,882	3,325,857	7,935,739	3,997,483	3,152,675	7,150,158
20	4,609,882	3,325,857	7,935,739	3,960,598	3,106,933	7,067,531
27	4,609,882	3,325,857	7,935,739	3,897,963	3,048,535	6,946,498
February - 3	4,609,882	3,325,857	7,935,739	3,823.147	2,994,242	6,817,389
10	4,609,882	3,325,857	7,935,739	3,775,853	2,979,960	6,755,813
17	4,609,882	3,325,857	7,935,739	3,754,317	3,002,981	6,757,298
24	4,609,882	3,325,857	7,935,739	3,727,348	2,989,915	6,717,263
March - 3	4,609,882	3,325,857	7,935,739	3,733,792	3,000,238	6,734,030
10	4,609,882	3,325,857	7,935,739	3,759,888	3,041,518	6,801,406
17	4,609,882	3,325,857	7,935,739	3,757,439	3,056,356	6,813,795
24	4,609,882	3,325,857	7,935,739	3,802,535	3,119,073	6,921,608
31	4,609,882	3,325,857	7,935,739	3,878,766	3,158,404	7,037,170
April - 7	4,609,882	3,325,857	7,935,739	3,976,408	3,173,208	7,149,616
14	4,609,882	3,325,857	7,935,739	3,993,037	3,155,098	7,148,135
21	4,609,882	3,325,857	7,935,739	3,977,880	3,173,259	7,151,139
28	4,609,882	3,325,857	7,935,739	3,948,416	3,167,455	7,115,871
May - - 5	4,609,882	3,325,857	7,935,739	3,932,228	3,143,969	7,076,197
12	4,609,882	3,325,857	7,935,739	3,895,861	3,123,163	7,019,024
19	4,609,882	3,325,857	7,935,739	3,894,434	3,139,879	7,034,313
26	4,609,882	3,325,857	7,935,739	3,850,155	3,092,917	6,943,072
June - 2	4,609,882	3,325,857	7,935,739	3,800,342	3,043,629	6,843,971
9	4,609,882	3,325,857	7,935,739	3,777,970	3,008,907	6,786,877
16	4,609,882	3,325,857	7,935,739	3,753,596	2,989,405	6,743,001
23	4,609,882	3,325,857	7,935,739	3,760,446	3,001,077	6,761,523
30	4,609,882	3,325,857	7,935,739	3,774,481	3,014,053	6,788,534
July - - 7	4,609,882	3,325,857	7,935,739	3,818,468	3,037,461	6,855,929
14	4,609,882	3,325,857	7,935,739	3,814,463	3,052,588	6,867,051
21	4,609,882	3,325,857	7,935,739	3,768,564	3,004,247	6,772,811
28	4,609,882	3,325,857	7,935,739	3,705,297	2,916,791	6,622,088
August - 4	4,609,882	3,325,857	7,935,739	3,650,818	2,873,371	6,524,189
11	4,609,882	3,325,857	7,935,739	3,619,683	2,871,980	6,491,663
18	4,609,882	3,325,857	7,935,739	3,595,509	2,889,853	6,485,362
25	4,609,882	3,325,857	7,935,739	3,607,003	2,914,708	6,521,711
September 1	4,609,882	3,325,857	7,935,739	3,601,430	2,927,357	6,528,787
8	4,609,882	3,325,857	7,935,739	3,619,991	2,936,065	6,556,056
15	4,609,882	3,325,857	7,935,739	3,658,110	3,003,928	6,662,038
22	4,609,882	4,325,857	7,935,739	3,731,674	3,062,988	6,794,662
29	4,609,882	3,325,857	7,935,739	3,840,639	3,085,199	6,925,838
October - 6	4,609,882	3,325,857	7,935,739	4,018,325	3,157,579	7,175,904
13	4,609,882	3,316,143	7,926,025	4,119,260	3,209,021	7,328,281
20	4,609,882	3,316,143	7,926,025	4,114,427	3,175,321	7,289,748
27	4,609,882	3,316,143	7,926,025	4,043,630	3,096,231	7,139,861
November - 3	4,609,882	3,316,143	7,926,025	4,038,634	3,107,303	7,145,937
10	4,609,882	3,316,143	7,926,025	4,008,900	3,132,543	7,141,443
17	4,609,882	3,316,143	7,926,025	3,958,091	3,128,548	7,086,639
24	4,609,882	3,316,143	7,926,025	3,921,016	3,113,624	7,034,640
December - 1	4,602,881	3,316,143	7,919,024	3,876,412	3,096,088	6,972,500
8	4,602,881	3,316,143	7,919,024	3,844,192	3,066,913	6,911,105
15	4,602,881	3,316,143	7,919,024	3,830,617	3,035,062	6,866,079
22	4,602,881	3,316,143	7,919,024	3,819,822	3,034,196	6,854,018
29	4,602,881	3,316,143	7,919,024	3,840,641	3,044,734	6,885,375
1856:						
January - 5	4,580,095	3,316,143	7,896,238	3,898,289	3,055,894	6,954,183
12	4,580,095	3,316,143	7,896,238	3,974,911	3,128,674	7,103,585
19	4,580,095	3,316,143	7,896,238	3,943,105	3,094,192	7,037,297
26	4,580,095	3,316,143	7,896,238	3,892,144	3,034,262	6,926,406
February - 2	4,580,095	3,316,143	7,896,238	3,828,065	2,979,973	6,808,038
9	4,580,095	3,316,143	7,896,238	3,760,136	2,953,349	6,713,485
16	4,580,095	3,316,143	7,896,238	3,713,673	2,954,834	6,668,507
23	4,580,095	3,316,143	7,896,238	3,680,021	2,961,281	6,641,302
March - 1	4,580,095	3,316,143	7,896,238	3,675,173	2,967,219	6,642,392
8	4,580,095	3,316,143	7,896,238	3,707,913	3,009,016	6,716,929
15	4,580,095	3,316,143	7,896,238	3,705,087	3,037,165	6,742,252
22	4,580,095	3,316,143	7,896,238	3,744,748	3,094,467	6,839,215
29	4,580,095	3,303,357	7,883,452	3,827,443	3,149,664	6,977,107

\- - - Joint Stock Banks in *England* and *Wales*, and the Actual Amount Issued, &c.—*continued.*

Authorised Issues of Scotch Banks.	Actual Issues of Scotch Banks.	Authorised Issues of Irish Banks.	Actual Issues of Irish Banks.	Coin held by Scotch Banks.	Coin held by Irish Banks.	Total Coin held by Scotch and Irish Banks.
£.	£.	£.	£.	£.	£.	£.
3,087,209	4,133,179	6,354,494	6,786,548	1,714,153	2,080,938	3,795,091
3,087,209	4,099,358	6,354,494	6,781,305	1,711,749	2,118,490	3,830,239
3,087,209	3,954,466	6,354,494	6,758,274	1,736,737	2,130,331	3,867,068
3,087,209	3,919,070	6,354,494	6,750,287	1,713,700	2,137,146	3,850,846
3,087,209	4,088,865	6,354,494	6,825,241	1,702,835	2,093,751	3,796,586
3,087,209	3,889,131	6,354,494	6,800,539	1,685,320	2,086,262	3,771,582
3,087,209	3,834,434	6,354,494	6,766,698	1,664,542	2,070,873	3,735,415
3,087,209	3,722,302	6,354,494	6,718,424	1,646,334	2,079,467	3,725,801
3,087,209	4,076,477	6,354,494	6,734,530	1,661,627	2,078,818	3,740,445
3,087,209	3,725,457	6,354,494	6,641,773	1,652,808	2,064,754	3,717,562
3,087,209	3,722,116	6,354,494	6,535,562	1,627,626	2,044,130	3,671,756
3,087,209	3,655,794	6,354,494	6,452,746	1,600,357	2,050,486	3,650,843
3,087,209	3,666,582	6,354,494	6,398,343	1,611,605	1,995,704	3,607,309
3,087,209	3,864,536	6,354,494	6,548,777	1,600,325	1,975,953	3,576,278
3,087,209	3,784,866	6,354,494	6,449,976	1,616,471	1,980,837	3,597,308
3,087,209	3,788,725	6,354,494	6,382,300	1,609,778	1,986,681	3,596,459
3,087,209	3,768,027	6,354,494	6,341,530	1,624,420	1,980,797	3,605,217
3,087,209	3,961,396	6,354,494	6,373,436	1,650,410	1,913,318	3,563,728
3,087,209	4,086,672	6,354,494	6,271,748	1,657,002	1,916,610	3,573,612
3,087,209	4,323,941	6,354,494	6,137,185	1,748,060	1,906,885	3,654,945
3,087,209	4,498,722	6,354,494	6,039,680	1,737,938	1,909,101	3,647,039
3,087,209	4,406,123	6,354,494	5,984,213	1,784,293	1,880,102	3,664,395
3,087,209	4,282,012	6,354,494	5,926,873	1,845,502	1,886,648	3,732,150
3,087,209	4,236,284	6,354,494	5,798,183	1,841,217	1,881,301	3,722,518
3,087,209	4,065,378	6,354,494	5,732,739	1,836,562	1,894,229	3,730,791
3,087,209	4,100,607	6,354,494	5,692,774	1,811,780	1,851,530	3,663,310
3,087,209	4,061,385	6,354,494	5,786,721	1,796,743	1,848,936	3,645,679
3,087,209	4,144,934	6,354,494	5,709,318	1,762,689	1,839,329	3,602,018
3,087,209	3,941,937	6,354,494	5,638,049	1,764,152	1,854,554	3,618,706
3,087,209	3,907,586	6,354,494	5,598,232	1,709,576	1,863,277	3,572,853
3,087,209	4,200,421	6,354,494	5,710,095	1,690,222	1,850,578	3,540,800
3,087,209	3,998,262	6,354,494	5,623,336	1,679,454	1,844,672	3,524,126
3,087,209	3,995,990	6,354,494	5,583,221	1,694,682	1,834,108	3,528,790
3,087,209	3,904,604	6,354,494	5,547,037	1,634,640	1,820,503	3,455,143
3,087,209	3,956,497	6,354,494	5,624,658	1,645,339	1,807,966	3,453,305
3,087,209	4,040,144	6,354,494	5,682,003	1,617,743	1,788,356	3,406,099
3,087,209	4,058,248	6,354,494	5,784,067	1,631,007	1,805,403	3,436,410
3,087,209	4,107,249	6,354,494	5,950,991	1,626,165	1,826,646	3,452,811
3,087,209	4,170,804	6,354,494	6,182,995	1,653,405	1,874,548	3,527,953
3,087,209	4,308,529	6,354,494	6,542,922	1,641,268	1,987,531	3,628,799
3,087,209	4,321,434	6,354,494	6,793,885	1,663,586	2,066,881	3,730,467
3,087,209	4,304,643	6,354,494	6,900,808	1,807,093	2,113,279	3,920,372
3,087,209	4,274,751	6,354,494	6,916,854	1,889,921	2,149,737	4,039,658
3,087,209	4,403,492	6,354,494	7,004,280	1,914,303	2,228,534	4,142,837
3,087,209	4,501,201	6,354,494	6,971,119	1,958,171	2,247,233	4,205,404
3,087,209	4,584,000	6,354,494	6,947,539	1,964,613	2,283,540	4,248,153
3,087,209	4,703,320	6,354,494	6,934,574	1,967,048	2,299,413	4,266,461
3,087,209	4,619,844	6,354,494	7,057,714	1,971,580	2,302,668	4,274,248
3,087,209	4,472,258	6,354,494	7,061,838	1,996,450	2,282,386	4,278,836
3,087,209	4,275,091	6,354,494	7,062,051	1,919,287	2,288,941	4,208,228
3,087,209	4,235,877	6,354,494	6,991,521	1,889,070	2,309,617	4,198,687
3,087,209	4,213,212	6,354,494	6,869,081	1,858,511	2,343,680	4,202,191
3,087,209	4,273,693	6,354,494	7,021,346	1,831,120	2,283,937	4,115,057
3,087,209	4,094,559	6,354,494	7,013,670	1,844,228	2,305,190	4,149,418
3,087,209	3,989,713	6,354,494	6,976,669	1,829,703	2,299,482	4,129,185
3,087,209	3,949,262	6,354,494	6,867,226	1,797,824	2,316,796	4,114,620
3,087,209	4,039,965	6,354,494	6,919,189	1,789,570	2,278,694	4,068,264
3,087,209	3,968,231	6,354,494	6,871,865	1,739,723	2,276,778	4,016,501
3,087,209	3,880,501	6,354,494	6,752,287	1,718,468	2,284,499	4,002,967
3,087,209	3,774,612	6,354,494	6,654,989	1,654,118	2,328,276	3,982,394
3,087,209	3,807,944	6,354,494	6,625,878	1,675,050	2,189,695	3,864,745
3,087,209	3,903,519	6,354,494	6,508,001	1,651,616	2,164,924	3,816,540
3,087,209	3,793,200	6,354,494	6,517,191	1,671,611	2,170,483	3,842,094
3,087,209	3,785,907	6,354,494	6,507,279	1,664,310	2,154,454	3,818,764
3,087,209	3,735,723	6,354,494	6,418,256	1,689,238	2,152,950	3,842,188

(*continued*)

A RETURN showing the authorised Issues of the Notes of the Private and - - -

DATE.	Authorised Issues of English Country Banks.			Actual Issues of English Country Banks.		
	Private.	Joint Stock.	TOTAL.	Private.	Joint Stock.	TOTAL.
	£.	£.	£.	£.	£.	£.
1856:						
April - 5	4,580,095	3,303,357	7,883,452	3,901,766	3,144,551	7,046,317
12	4,580,095	3,303,357	7,883,452	3,948,438	3,143,670	7,092,108
19	4,580,095	3,303,357	7,883,452	3,944,903	3,173,181	7,118,084
26	4,580,095	3,303,357	7,883,452	3,932,041	3,169,983	7,102,024
May - - 3	4,580,095	3,303,357	7,883,452	3,936,604	3,136,658	7,073,262
10	4,580,095	3,303,357	7,883,452	3,910,584	3,112,621	7,023,205
17	4,580,095	3,303,357	7,883,452	3,901,299	3,131,429	7,032,728
24	4,580,095	3,303,357	7,883,452	3,840,971	3,101,428	6,942,399
31	4,580,095	3,303,357	7,883,452	3,778,427	3,035,212	6,813,639
June - - 7	4,580,095	3,303,357	7,883,452	3,742,973	2,997,600	6,740,573
14	4,580,095	3,303,357	7,883,452	3,726,853	3,005,849	6,732,702
21	4,580,095	3,303,357	7,883,452	3,718,519	3,027,607	6,746,126
28	4,580,095	3,303,357	7,883,452	3,741,440	3,055,433	6,796,873
July - - 5	4,580,095	3,303,357	7,883,452	3,776,540	3,051,498	6,828,038
12	4,580,095	3,303,357	7,883,452	3,815,848	3,082,680	6,898,528
19	4,580,095	3,303,357	7,883,452	3,777,078	3,026,931	6,804,009
26	4,556,460	3,303,357	7,859,817	3,704,709	2,950,544	6,655,253
August - 2	4,556,460	3,303,357	7,859,817	3,642,795	2,901,820	6,544,615
9	4,556,460	3,303,357	7,859,817	3,602,273	2,893,327	6,495,600
16	4,523,528	3,303,357	7,826,885	3,561,030	2,903,014	6,464,044
23	4,523,528	3,303,357	7,826,885	3,544,825	2,937,007	6,481,832
30	4,523,528	3,303,357	7,826,885	3,538,999	2,941,761	6,480,760
September - 6	4,523,528	3,303,357	7,826,885	3,571,057	2,964,682	6,535,739
13	4,523,528	3,303,357	7,826,885	3,625,107	3,026,636	6,651,743
20	4,523,528	3,303,357	7,826,885	3,692,391	3,097,241	6,789,632
27	4,523,528	3,303,357	7,826,885	3,790,826	3,104,374	6,895,200
October - 4	4,523,528	3,303,357	7,826,885	3,919,946	3,172,201	7,092,147
11	4,523,528	3,303,357	7,826,885	3,977,992	3,197,161	7,175,153
18	4,518,956	3,303,357	7,822,313	3,956,928	3,166,339	7,123,267
25	4,518,956	3,303,357	7,822,313	3,905,093	3,084,726	6,989,819
November - 1	4,518,956	3,303,357	7,822,313	3,893,669	3,095,835	6,989,504
8	4,518,956	3,303,357	7,822,313	3,875,020	3,124,897	6,999,917
15	4,518,956	3,303,357	7,822,313	3,849,014	3,124,756	6,973,770
22	4,518,956	3,303,357	7,822,313	3,807,186	3,110,491	6,917,677
29	4,518,956	3,303,357	7,822,313	3,758,639	3,088,004	6,846,643
December - 6	4,518,956	3,303,357	7,822,313	3,725,302	3,057,250	6,782,552
13	4,504,647	3,303,357	7,808,004	3,678,090	3,028,912	6,707,002
20	4,504,647	3,303,357	7,808,004	3,636,873	3,005,225	6,642,098
27	4,504,647	3,303,357	7,808,004	3,631,828	2,991,643	6,623,471
1857:						
January - 3	4,504,647	3,303,357	7,808,004	3,670,072	2,993,454	6,663,526
10	4,504,647	3,303,357	7,808,004	3,784,804	3,092,681	6,877,485
17	4,504,647	3,303,357	7,808,004	3,823,764	3,126,741	6,950,505
24	4,504,647	3,303,357	7,808,004	3,777,808	3,099,314	6,877,122
31	4,504,647	3,303,357	7,808,004	3,698,229	3,042,816	6,741,045
February - 7	4,504,647	3,303,357	7,808,004	3,656,633	3,001,100	6,657,733
14	4,504,647	3,303,357	7,808,004	3,639,508	3,003,734	6,643,242
21	4,504,647	3,303,357	7,808,004	3,618,985	3,023,903	6,642,888
28	4,504,647	3,303,357	7,808,004	3,609,717	3,033,454	6,643,171
March - - 7	4,504,647	3,303,357	7,808,004	3,652,033	3,052,571	6,704,604
14	4,504,647	3,303,357	7,808,004	3,661,659	3,062,310	6,723,969
21	4,504,647	3,303,357	7,808,004	3,662,922	3,114,847	6,777,769
28	4,504,647	3,303,357	7,808,004	3,734,318	3,178,499	6,912,817
April - - 4	4,504,647	3,303,357	7,808,004	3,798,820	3,173,032	6,971,852
11	4,504,647	3,303,357	7,808,004	3,853,955	3,176,205	7,030,160
18	4,504,647	3,303,357	7,808,004	3,869,376	3,207,517	7,076,893
25	4,504,647	3,303,357	7,808,004	3,843,551	3,202,118	7,045,499
May - - 2	4,504,647	3,303,357	7,808,004	3,815,669	3,163,027	6,978,696
9	4,504,647	3,303,357	7,808,004	3,808,088	3,117,857	6,925,945

\- - - Joint Stock Banks in *England* and *Wales*, and the Actual Amount Issued, &c.—*continued.*

Authorised Issues of Scotch Banks.	Actual Issues of Scotch Banks.	Authorised Issues of Irish Banks.	Actual Issues of Irish Banks.	Coin held by Scotch Banks.	Coin held by Irish Banks.	Total Coin held by Scotch and Irish Banks.
£.	£.	£.	£.	£.	£.	£.
3,087,209	3,851,846	6,354,494	6,521,305	1,676,155	2,094,659	3,770,814
3,087,209	3,760,074	6,354,494	6,452,136	1,692,015	2,089,519	3,781,534
3,087,209	3,811,684	6,354,494	6,504,314	1,676,809	2,072,634	3,749,443
3,087,209	3,773,747	6,354,494	6,443,208	1,706,311	2,050,754	3,757,065
3,087,209	4,106,089	6,354,494	6,548,881	1,722,123	2,070,031	3,792,154
3,087,209	4,064,490	6,354,494	6,551,261	1,740,646	2,088,021	3,828,667
3,087,209	4,413,563	6,354,494	6,458,001	1,885,337	2,094,153	3,979,490
3,087,209	4,500,266	6,354,494	6,358,584	1,890,293	2,114,860	4,005,153
3,087,209	4,574,235	6,354,494	6,308,850	1,879,832	2,141,349	4,021,181
3,087,209	4,402,988	6,354,494	6,337,086	1,898,651	2,123,539	4,022,190
3,087,209	4,278,703	6,354,494	6,212,959	1,911,448	2,147,235	4,058,683
3,087,209	4,146,550	6,354,494	6,158,934	1,894,214	2,174,018	4,068,232
3,087,209	4,023,719	6,354,494	6,089,062	1,881,211	2,157,701	4,038,912
3,087,209	4,083,484	6,354,494	6,255,666	1,790,922	2,129,662	3,920,584
3,087,209	3,995,807	6,354,494	6,197,801	1,751,512	2,156.671	3,908,183
3,087,209	4,138,428	6,354,494	6,118,065	1,693,147	2,155,202	3,848,349
3,087,209	3,890,599	6,354,494	6,087,410	1,672,776	2,136,510	3,809,286
3,087,209	3,997,104	6,354,494	6,124,955	1,681,809	2,128,146	3,809,955
3,087,209	3,976,977	6,354,494	6,058,801	1,661,477	2,139,673	3,801,150
3,087,209	4,016,398	6,354,494	6,010,501	1,660,227	2,143,391	3,803,618
3,087,209	3,856,198	6,354,494	6,010,791	1,664,855	2,149,006	3,813,861
3,087,209	3,916,247	6,354,494	6,087,224	1,679,641	2,150,968	3,830,609
3,087,209	4,045,882	6,354,494	6,210,104	1,660,892	2,142,382	3,803,274
3,087,209	3,998,105	6,354,494	6,299,872	1,620,848	2,047,709	3,668,557
3,087,209	3,959,294	6,354,494	6,453,996	1,622,167	2,069,723	3,691,890
3,087,209	4,007,408	6,354,494	6,582,879	1,635,830	2,084,875	3,720,705
3,087,209	4,325,509	6,354,494	6,976,255	1,650,205	2,219,893	3,870,098
3,087,209	4,169,515	6,354,494	7,194,748	1,657,811	2,309,594	3,967,405
3,087,209	4,190,558	6,354,494	7,371,349	1,699,676	2,376,132	4,075,808
3,087,209	4,190,751	6,354,494	7,425,483	1,734,569	2,512,666	4,247,235
3,087,209	4,292,960	6,354,494	7,469,902	1,804,686	2,535,813	4,340,499
3,087,209	4,309,818	6,354,494	7,439,510	1,812,826	2,562,244	4,375,070
3,087,209	4,528,954	6,354,494	7,427,654	1,805,009	2,558,877	4,363,886
3,087,209	4,647,097	6,354,494	7,365,899	1,834,929	2,595,532	4,430,461
3,087,209	4,580,099	6,354,494	7,332,613	1,823,238	2,621,683	4,444,921
3,087,209	4,435,538	6,354,494	7,357,172	1,829,373	2,604,912	4,434,285
3,087,209	4,296,156	6,354,494	7,338,430	1,829,348	2,582,916	4,412,264
3,087,209	4,085,757	6,354,494	7,201,007	1,834,816	2,681,251	4,516,067
3,087,209	4,080,667	6,354,494	7,033,744	1,848,655	2,739,889	4,588,544
3,087,209	4,347,473	6,354,494	7,143,826	1,851,827	2,778,174	4,630,001
3,087,209	4,082,162	6,354,494	7,217,306	1,764,368	2,792,116	4,556,484
3,087,209	3,990,427	6,354,494	7,279,957	1,794,184	2,821,011	4,615,195
3,087,209	3,923,913	6,354,494	7,244,761	1,806,975	2,802,248	4,609,223
3,087,209	4,016,695	6,354,494	7,244,079	1,726,227	2,719,327	4,445,554
3,087,209	3,974,172	6,354,494	7,280,006	1,684,278	2,649,970	4,334,248
3,087,209	3,916,484	6,354,494	7,246,776	1,672,153	2,674,250	4,346,403
3,087,209	3,816,470	6,354,494	7,185,477	1,669,849	2,638,706	4,308,555
3,087,209	3,883,749	6,354,494	7,170,154	1,675,691	2,634,238	4,309,929
3,087,209	3,913,745	6,354,494	7,188,017	1,642,818	2,565,449	4,208,267
3,087,209	3,749,970	6,354,494	7,149,194	1,628,685	2,518,409	4,147,094
3,087,209	3,706,385	6,354,494	7,098,955	1,647,974	2,491,670	4,139,644
3,087,209	3,649,920	6,354,494	7,088,098	1,598,305	2,493,137	4,091,442
3,087,209	4,100,282	6,354,494	7,215,301	1,548,571	2,487,907	4,036,478
3,087,209	3,873,829	6,354,494	7,214,765	1,544,079	2,501,418	4,045,497
3,087,209	3,867,529	6,354,494	7,136,743	1,554,949	2,531,841	4,086,790
3,087,209	3,799,864	6,354,494	7,119,557	1,568,406	2,533,092	4,101,498
3,087,209	3,983,964	6,354,494	7,199,647	1,614,958	2,472,227	4,087,185
3,087,209	4,080,000	6,354,494	7,164,794	1,616,540	2,451,410	4,067,950

Inland Revenue Office,
May 1857.

Appendix, No. 18.

AN ACCOUNT of the AGGREGATE WEEKLY CIRCULATION of the NOTES of BANKS of ISSUE in *Scotland* and *Ireland*, distinguishing those of 5 *l.* and upwards and those under 5 *l.*, and showing the TOTAL AMOUNT in *Scotland* and *Ireland* respectively, with the AMOUNT of BULLION held, from the 13th December 1845 to the 9th May 1857.

WEEK ENDING	SCOTLAND.				IRELAND.			
	Notes of £. 5 and upwards.	Notes under £. 5.	TOTAL.	Amount of Bullion held.	Notes of £. 5 and upwards.	Notes under £. 5.	TOTAL.	Amount of Bullion held.
1845:	£.	£.	£.	£.	£.	£.	£.	£.
Dec. 13	966,175	2,503,036	3,469,211	1,168,400	3,057,291	4,497,185	7,554,576	2,475,532
20	917,932	2,407,187	3,325,119	1,187,521	3,074,650	4,419,948	7,484,598	2,478,232
27	881,697	2,377,803	3,259,500	1,186,122	3,010,723	4,291,923	7,302,655	2,497,525
1846:								
Jan. 3	882,952	2,408,874	3,291,826	1,179,603	3,019,298	4,256,609	7,275,647	2,504,034
10	886,887	2,372,928	3,259,815	1,168,730	3,060,321	4,317,708	7,378,029	2,517,383
17	871,812	2,313,274	3,185,086	1,179,644	3,053,957	4,373,461	7,427,418	2,530,314
24	847,937	2,283,372	3,131,309	1,190,430	3,053,370	4,365,916	7,419,411	2,534,611
31	872,208	2,280,517	3,152,725	1,177,916	3,041,026	4,377,250	7,418,276	2,541,830
Feb. 7	869,113	2,283,350	3,152,463	1,143,814	3,064,602	4,404,869	7,469,471	2,564,150
14	870,778	2,227,152	3,097,930	1,149,829	3,044,582	4,410,042	7,454,624	2,566,488
21	823,083	2,217,882	3,040,965	1,136,271	3,062,185	4,406,506	7,468,691	2,568,061
28	830,308	2,213,532	3,043,840	1,144,019	3,094,759	4,391,375	7,486,134	2,570,513
March 7	834,468	2,218,772	3,053,240	1,145,235	3,078,070	4,377,525	7,455,595	2,570,354
14	821,402	2,194,155	3,015,557	1,127,336	3,083,920	4,373,668	7,457,588	2,581,347
21	824,423	2,178,740	3,003,163	1,127,479	3,055,087	4,367,907	7,422,994	2,569,958
28	834,838	2,168,321	3,003,159	1,128,568	3,069,285	4,374,390	7,443,675	2,550,985
April 4	853,268	2,202,330	3,055,598	1,123,405	3,121,779	4,431,565	7,553,344	2,537,820
11	943,103	2,215,365	3,158,468	1,125,240	3,179,932	4,414,929	7,594,861	2,521,343
18	868,713	2,213,513	3,082,226	1,130,355	3,195,605	4,326,859	7,522,464	2,532,672
25	892,513	2,196,487	3,089,000	1,130,283	3,183,855	4,290,778	7,474,633	2,514,630
May 2	921,869	2,255,152	3,177,021	1,131,772	3,246,595	4,263,527	7,510,122	2,624,089
9	973,128	2,288,188	3,261,316	1,133,809	3,249,435	4,239,937	7,489,372	2,492,980
16	1,127,678	2,444,241	3,571,919	1,134,609	3,223,250	4,181,686	7,404,936	2,491,584
23	1,098,873	2,496,418	3,595,291	1,144,158	3,174,605	4,109,291	7,283,896	2,487,142
30	1,120,868	2,531,532	3,652,400	1,139,095	3,143,465	4,010,537	7,154,002	2,496,160
June 6	1,061,618	2,475,090	3,536,708	1,150,872	3,089,295	3,945,873	7,035,168	2,429,711
13	1,043,993	2,412,205	3,456,198	1,152,761	3,067,550	3,855,223	6,922,773	2,369,096
20	1,015,148	2,374,190	3,389,338	1,168,528	2,987,905	3,788,265	6,776,170	2,365,053
27	987,783	2,339,746	3,327,529	1,163,937	2,992,339	3,735,022	6,727,261	2,303,053
July 4	1,057,203	2,381,213	3,438,416	1,163,688	3,021,245	3,728,796	6,750,041	2,264,639
11	1,010,443	2,368,650	3,379,093	1,161,661	3,019,845	3,672,969	6,692,814	2,242,809
18	1,046,873	2,368,356	3,415,229	1,100,331	2,982,335	3,593,529	6,575,864	2,256,655
25	969,553	2,332,344	3,301,877	1,113,769	2,944,383	3,537,767	6,482,150	2,267,181
August 1	1,004,123	2,372,936	3,377,059	1,117,912	2,968,265	3,540,324	6,508,589	2,268,162
8	1,031,708	2,360,737	3,392,445	1,109,313	2,976,275	3,504,007	6,480,282	2,262,925
15	1,048,813	2,367,454	3,416,267	1,086,468	2,949,770	3,501,285	6,451,055	2,256,927
22	998,943	2,363,810	3,362,753	1,082,117	2,938,720	3,489,515	6,428,235	2,263,349
29	1,035,848	2,376,029	3,411,877	1,081,948	3,023,005	3,517,722	6,540,727	2,244,685
Sept. 5	1,042,324	2,456,581	3,498,905	1,077,107	3,058,260	3,590,948	6,549,208	2,204,631
12	1,043,613	2,470,032	3,513,645	1,082,557	3,032,240	3,702,298	6,734,538	2,201,073
19	1,111,232	2,480,548	3,591,780	1,095,609	3,059,545	3,840,056	6,899,601	2,198,663
26	1,128,847	2,464,786	3,593,633	1,116,324	3,130,610	3,987,531	7,118,141	2,194,838
Oct. 3	1,249,223	2,510,543	3,759,766	1,114,173	3,237,640	4,153,474	7,391,114	2,249,173
10	1,187,893	2,527,581	3,715,474	1,127,447	3,308,130	4,289,246	7,597,376	2,318,407
17	1,235,313	2,544,093	3,779,406	1,146,803	3,343,220	4,401,844	7,745,064	2,428,074
24	1,248,088	2,547,363	3,795,451	1,218,805	3,325,795	4,476,212	7,802,007	2,472,879
31	1,139,163	2,545,355	3,684,518	1,214,449	3,324,010	4,552,019	7,876,029	2,515,533
Nov. 7	1,187,613	2,614,093	3,801,706	1,307,462	3,347,820	4,576,397	7,924,217	2,523,670
14	1,294,347	2,752,179	4,046,526	1,320,942	3,323,725	4,590,475	7,914,200	2,549,541
21	1,244,872	2,789,258	4,034,157	1,361,739	3,298,995	4,599,932	7,898,927	2,556,936
28	1,221,358	2,779,014	4,000,372	1,376,566	3,259,070	4,549,875	7,803,945	2,573,698

ACCOUNT of the Aggregate Weekly Circulation of the Notes of Banks of Issue in *Scotland* and *Ireland*—continued.

WEEK ENDING	SCOTLAND.				IRELAND.			
	Notes of £.5 and upwards.	Notes under £.5.	TOTAL.	Amount of Bullion held.	Notes of £.5. and upwards.	Notes under £.5.	TOTAL.	Amount of Bullion held.
1846:	£.	£.	£.	£.	£.	£.	£.	£.
Dec. - 5	1,179,733	2,726,685	3,906,418	1,399,323	3,211,520	4,524,543	7,736,063	2,598,116
12	1,191,193	2,670,101	3,861,294	1,394,669	3,172,525	4,453,414	7,625,939	2,613,087
19	1,133,595	2,574,022	3,707,617	1,412,690	3,150,865	4,402,376	7,553,241	2,632,806
26	1,190,063	2,551,773	3,741,836	1,381,744	3,112,137	4,310,827	7,422,964	2,602,946
1847:								
Jan. - 2	1,240,498	2,597,383	3,837,881	1,348,471	3,168,945	4,290,571	7,459,516	2,583,216
9	1,191,063	2,517,619	3,708,682	1,366,957	3,187,355	4,232,486	7,419,841	2,470,838
16	1,178,618	2,473,250	3,651,848	1,339,197	3,162,390	4,134,179	7,296,569	2,366,469
23	1,100,513	2,409,693	3,510,206	1,348,368	3,116,740	4,029,835	7,146,575	2,371,016
30	1,104,762	2,427,431	3,532,193	1,330,754	3,180,325	3,994,401	7,174,726	2,324,638
Feb. - 6	1,163,875	2,421,157	3,585,032	1,319,997	3,182,970	3,983,496	7,166,466	2,203,566
13	1,152,067	2,381,279	3,533,346	1,320,775	3,151,305	3,923,115	7,074,420	2,161,366
20	1,109,123	2,334,973	3,444,096	1,335,999	3,139,475	3,842,712	6,982,187	2,179,861
27	1,104,907	2,345,844	3,450,751	1,325,708	3,159,690	3,737,460	6,897,150	2,171,956
March 6	1,093,803	2,340,073	3,433,873	1,327,364	3,158,160	3,687,329	6,845,489	2,143,870
13	1,065,373	2,295,983	3,357,356	1,328,250	3,117,250	3,576,958	6,804,208	2,126,403
20	1,051,278	2,270,973	3,332,251	1,327,967	3,112,898	3,545,223	6,658,121	2,108,480
27	1,047,108	2,280,828	3,327,936	1,309,652	3,105,768	3,505,374	6,611,142	2,077,658
April - 3	1,163,053	2,305,992	3,469,045	1,306,613	3,184,078	3,517,272	6,701,350	2,022,547
10	1,071,388	2,306,426	3,377,814	1,280,747	3,201,205	3,415,753	6,616,958	1,996,836
17	1,093,355	2,275,510	3,368,865	1,289,446	3,145,413	3,304,474	6,449,887	2,001,128
24	1,080,943	2,285,448	3,366,391	1,285,734	3,123,170	3,193,586	6,316,757	1,959,680
May - 1	995,803	2,299,564	3,295,367	1,285,959	3,175,185	3,099,087	6,274,273	1,747,535
8	1,019,423	2,331,021	3,350,444	1,310,226	3,148,675	2,959,537	6,108,212	1,675,122
15	1,225,388	2,482,049	3,707,437	1,307,021	3,062,205	2,880,774	5,942,979	1,654,620
22	1,195,463	2,519,091	3,714,554	1,298,255	2,958,710	2,790,191	5,748,901	1,653,422
29	1,221,958	2,569,819	3,791,777	1,261,541	2,913,023	2,714,625	5,627,648	1,594,708
June - 5	1,162,873	2,514,045	3,676,918	1,267,601	2,882,208	2,651,119	5,533,327	1,528,961
12	1,185,143	2,421,756	3,606,899	1,279,766	2,814,888	2,597,296	5,412,184	1,533,713
19	1,138,108	2,375,575	3,513,683	1,267,492	2,731,944	2,554,714	5,286,658	1,538,155
26	1,118,253	2,353,320	3,471,573	1,256,743	2,685,743	2,535,733	5,221,476	1,556,339
July - 3	1,194,118	2,375,512	3,569,630	1,223,338	2,769,943	2,537,622	5,307,565	1,558,617
10	1,095,963	2,380,618	3,476,581	1,202,640	2,772,708	2,526,621	5,299,329	1,556,764
17	1,076,633	2,389,296	3,465,929	1,196,596	2,735,269	2,465,886	5,201,155	1,557,642
24	1,005,733	2,336,213	3,341,946	1,191,159	2,700,548	2,422,637	5,123,185	1,565,734
31	1,075,113	2,355,117	3,430,230	1,170,473	2,691,542	2,401,424	5,092,966	1,572,003
Aug. - 7	1,108,928	2,382,891	3,491,819	1,107,734	2,657,293	2,436,031	5,093,324	1,565,606
14	1,164,153	2,394,476	3,558,629	1,102,689	2,632,126	2,447,391	5,079,517	1,565,556
21	1,090,878	2,374,155	3,465,033	1,106,101	2,586,018	2,437,949	5,023,967	1,547,387
28	1,081,963	2,353,565	3,435,528	1,103,279	2,594,433	2,423,182	5,017,615	1,532,228
Sept. - 4	1,183,729	2,393,682	3,577,411	1,097,666	2,578,918	2,488,929	5,067,847	1,523,185
11	1,053,013	2,459,140	3,512,153	1,084,123	2,564,892	2,518,933	5,083,825	1,526,104
18	1,055,918	2,456,552	3,512,470	1,091,320	2,584,133	3,597,156	5,181,289	1,517,721
25	1,077,678	2,437,608	3,515,286	1,119,747	2,608,588	2,675,853	5,284,441	1,530,133
Oct. - 2	1,129,888	2,456,155	3,586,043	1,124,075	2,652,828	2,790,235	5,443,063	1,515,624
9	1,139,788	2,486,347	3,626,135	1,100,194	2,701,228	2,812,443	5,513,671	1,507,384
16	1,174,678	2,478,887	3,653,565	1,113,052	2,745,438	2,869,731	5,615,169	1,498,243
23	1,087,098	2,452,524	3,539,622	1,139,604	2,725,572	2,840,877	5,566,449	1,499,712
30	1,097,192	2,436,797	3,533,989	1,121,717	2,696,208	2,778,996	5,475,204	1,573,925
Nov. - 6	1,188,218	2,511,501	3,699,719	1,089,889	2,692,543	2,727,902	5,420,445	1,574,240
13	1,182,188	2,601,716	3,783,904	1,130,611	2,642,718	2,700,700	5,343,418	1,584,043
20	1,111,533	2,616,259	3,727,792	1,130,739	2,589,448	2,739,263	5,328,711	1,587,970
27	1,111,578	2,602,390	3,713,968	1,130,704	2,577,231	2,719,965	5,297,196	1,599,069
Dec. - 4	1,167,683	2,536,619	3,704,302	1,141,696	2,579,558	2,742,087	5,321,645	1,592,011
11	1,085,297	2,459,956	3,545,253	1,135,535	2,526,160	2,726,056	5,252,216	1,594,856
18	1,031,458	2,346,615	3,378,073	1,131,420	2,502,963	2,691,674	5,194,637	1,626,045
25	898,128	2,282,481	3,180,609	1,098,417	2,485,675	2,700,591	5,186,266	1,581,471
1848:								
Jan. - 1	936,763	2,324,603	3,261,366	1,066,838	2,496,235	2,655,117	5,151,352	1,642,675
8	1,016,165	2,280,052	3,296,217	1,075,005	2,548,570	2,699,867	5,248,437	1,652,244
15	978,288	2,217,945	3,196,233	1,071,607	2,529,200	2,723,957	5,253,157	1,655,142
22	925,368	2,161,449	3,086,817	1,097,623	2,509,196	2,712,857	5,222,053	1,667,529
29	917,868	2,146,982	3,064,850	1,087,261	2,527,576	2,684,452	5,212,028	1,684,073

(*continued*)

Account of the Aggregate Weekly Circulation of the Notes of Banks of Issue in *Scotland* and *Ireland*—continued.

WEEK ENDING	SCOTLAND.				IRELAND.			
	Notes of £.5 and upwards.	Notes under £.5.	Total.	Amount of Bullion held.	Notes of £.5 and upwards.	Notes under £.5.	Total.	Amount of Bullion held.
1848:	£.	£.	£.	£.	£.	£.	£.	£.
Feb. - 5	987,844	2,119,707	3,107,551	1,088,920	2,540,180	2,711,928	5,252,108	1,687,308
12	988,643	2,092,733	3,081,376	1,087,940	2,527,630	2,744,244	5,271,874	1,698,799
19	924,138	2,057,019	2,981,157	1,093,650	2,474,865	2,726,167	5,201,032	1,716,875
26	913,213	2,035,009	2,948,222	1,097,560	2,499,714	2,655,603	5,155,317	1,724,556
March 4	1,048,683	2,052,299	3,100,982	1,100,890	2,539,398	2,651,412	5,190,810	1,708,758
11	910,633	2,026,608	2,937,241	1,105,328	2,508,975	2,608,047	5,117,022	1,688,350
18	895,988	2,007,308	2,903,296	1,093,732	2,500,020	2,571,603	5,071,623	1,650,468
25	874,698	1,991,556	2,866,254	1,085,528	2,473,870	2,576,265	5,050,135	1,674,177
April - 1	925,128	1,987,584	2,912,712	1,060,143	2,517,815	2,541,693	5,059,506	1,591,329
8	881,343	2,029,394	2,910,737	1,040,187	2,555,075	2,514,628	5,069,703	1,656,270
15	908,788	2,025,712	2,934,500	1,031,668	2,544,463	2,444,875	4,989,338	1,597,679
22	960,358	2,018,402	2,978,760	1,026,635	2,544,613	2,372,980	4,917,593	1,646,209
29	952,715	2,004,694	2,957,409	1,033,851	2,581,625	2,304,167	4,885,792	1,641,483
May - 6	1,046,333	2,047,382	3,093,715	1,029,381	2,578,425	2,295,953	4,874,378	1,588,832
13	1,083,083	2,126,368	3,209,451	1,028,900	2,558,878	2,270,769	4,829,647	1,564,746
20	1,116,374	2,232,356	3,348,730	1,019,648	2,526,915	2,245,960	4,772,875	1,558,886
27	1,248,793	2,328,557	3,577,350	1,019,334	2,506,310	2,195,200	4,701,510	1,538,962
June - 3	1,206,063	2,286,790	3,492,853	1,032,672	2,516,600	2,210,427	4,727,027	1,516,950
10	1,143,228	2,236,697	3,379,925	1,039,145	2,459,013	2,194,907	4,653,920	1,502,830
17	1,119,448	2,180,800	3,300,248	1,063,103	2,406,563	2,156,377	4,562,940	1,530,954
24	1,009,413	2,123,506	3,132,919	1,052,692	2,370,293	2,105,503	4,475,796	1,536,496
July - 1	1,013,558	2,126,619	3,140,177	1,036,575	2,404,533	2,074,281	4,478,814	1,560,948
8	979,443	2,130,856	3,110,299	1,035,919	2,435,998	2,064,411	4,500,409	1,573,462
15	929,453	2,113,753	3,043,206	1,006,760	2,395,478	2,067,208	4,462,686	1,586,694
22	914,288	2,072,377	2,986,665	1,023,488	2,360,283	1,998,788	4,359,071	1,563,815
29	936,505	2,073,504	3,010,009	1,015,981	2,342,498	1,961,059	4,303,557	1,565,272
Aug. - 5	962,833	2,114,866	3,077,699	997,313	2,378,948	1,919,101	4,298,049	1,598,858
12	967,213	2,102,051	3,069,264	973,287	2,372,575	1,919,973	4,292,548	1,554,239
19	974,753	2,079,006	3,053,759	964,148	2,327,769	1,929,776	4,257,545	1,549,151
26	905,528	2,058,953	2,964,481	971,777	2,285,846	1,946,946	4,232,192	1,564,674
Sept. - 2	915,258	2,092,162	3,007,420	973,404	2,340,735	1,953,960	4,294,695	1,563,351
9	942,808	2,116,779	3,059,587	968,224	2,280,287	2,003,818	4,284,105	1,497,355
16	952,458	2,114,536	3,066,994	922,904	2,236,550	2,085,117	4,321,667	1,495,777
23	970,658	2,124,441	3,095,099	905,376	2,267,805	2,112,107	4,379,912	1,492,372
30	998,103	2,138,324	3,136,427	934,486	2,288,176	2,264,725	4,552,901	1,492,974
Oct. - 7	1,058,683	2,188,887	3,247,570	929,978	2,397,815	2,373,396	4,771,211	1,487,500
14	1,052,293	2,191,863	3,244,156	939,330	2,473,135	2,472,830	4,945,965	1,484,407
21	1,086,878	2,190,036	3,276,914	978,547	2,496,102	2,522,033	5,018,135	1,497,203
28	1,078,238	2,181,065	3,259,303	993,451	2,459,051	2,576,590	5,035,641	1,505,094
Nov. - 4	1,214,342	2,230,410	3,444,752	999,655	2,461,494	2,645,640	5,107,134	1,492,907
11	1,201,442	2,355,091	3,556,533	1,000,293	2,425,670	2,625,934	5,051,604	1,505,015
18	1,139,050	2,400,443	3,539,493	1,016,999	2,395,975	2,587,454	4,983,429	1,539,115
25	1,126,107	2,466,120	3,592,227	1,017,913	2,351,055	2,567,529	4,918,584	1,567,314
Dec. - 2	1,169,351	2,422,919	3,592,270	1,029,220	2,356,645	2,565,945	4,922,590	1,590,442
9	1,092,775	2,322,659	3,415,434	1,037,012	2,338,112	2,544,240	4,882,352	1,608,923
16	1,013,052	2,234,100	3,247,152	1,046,539	2,310,690	2,504,909	4,815,599	1,608,318
23	1,001,022	2,200,763	3,201,785	1,033,121	2,289,870	2,460,180	4,750,050	1,563,589
30	1,029,867	2,213,105	3,242,972	990,854	2,264,740	2,397,802	4,662,542	1,602,756
1849:								
Jan. - 6	958,987	2,174,417	3,133,404	1,013,421	2,323,090	2,397,528	4,720,618	1,618,278
13	930,057	2,113,838	3,043,895	1,014,406	2,317,963	2,394,859	4,712,822	1,629,718
20	913,037	2,084,137	2,997,174	1,010,540	2,300,574	2,364,162	4,664,736	1,657,901
27	892,417	2,064,616	2,957,033	1,017,275	2,272,735	2,328,046	4,600,781	1,675,966
Feb. - 3	1,017,892	2,075,075	3,092,967	1,026,835	2,319,513	2,340,989	4,660,502	1,665,418
10	913,337	2,038,975	2,958,312	1,035,610	2,254,180	2,327,879	4,582,059	1,676,890
17	901,792	2,004,582	2,906,374	1,040,703	2,233,739	2,287,032	4,520,771	1,672,892
24	866,642	1,984,435	2,851,077	1,025,204	2,237,135	2,239,861	4,476,996	1,700,532
March 3	1,089,842	1,996,646	3,086,488	1,029,545	2,281,860	2,232,609	4,514,469	1,709,872
10	933,667	1,989,048	2,922,715	1,003,814	2,246,020	2,168,175	4,414,195	1,706,380
17	925,927	1,964,980	2,890,907	1,008,470	2,227,710	2,134,125	4,361,835	1,709,654
24	875,677	1,964,724	2,840,401	994,884	2,222,462	2,094,046	4,316,508	1,709,536
31	933,452	1,947,057	2,880,509	994,878	2,225,577	2,085,388	4,310,965	1,713,311

Account of the Aggregate Weekly Circulation of the Notes of Banks of Issue in *Scotland* and *Ireland*—continued.

WEEK ENDING	SCOTLAND.				IRELAND.			
	Notes of £. 5 and upwards.	Notes under £. 5.	Total.	Amount of Bullion held.	Notes of £. 5 and upwards.	Notes under £. 5	Total.	Amount of Bullion held.
1849:	£.	£.	£.	£.	£.	£.	£.	£.
April - 7	980,077	1,986,297	2,966,374	977,983	2,316,682	2,111,827	4,428,509	1,657,660
14	928,332	1,966,263	2,894,595	982,503	2,336,737	2,085,561	4,422,298	1,657,096
21	911,732	1,978,476	2,890,208	962,895	2,345,507	2,000,012	4,345,519	1,671,619
28	944,627	1,979,830	2,924,457	970,255	2,344,892	1,975,694	4,320,586	1,672,591
May - 5	1,011,597	2,010,500	3,022,097	962,477	2,386,392	1,966,604	4,352,996	1,679,893
12	1,035,172	2,065,514	3,100,686	958,024	2,335,067	1,956,137	4,291,204	1,684,739
19	1,241,737	2,227,809	3,469,546	944,549	2,269,237	1,917,541	4,186,778	1,688,447
26	1,176,037	2,305,414	3,481,451	929,730	2,262,082	1,844,212	4,106,294	1,697,610
June - 2	1,164,212	2,290,187	3,454,399	941,462	2,238,867	1,849,030	4,087,897	1,691,314
9	1,116,352	2,212,256	3,328,618	948,069	2,209,997	1,844,472	4,054,469	1,669,983
16	1,097,403	2,161,766	3,259,169	931,019	2,148,747	1,788,500	3,937,247	1,670,642
23	1,032,102	2,099,218	3,131,320	934,353	2,137,182	1,757,626	3,894,808	1,676,075
30	1,049,552	2,075,556	3,125,108	953,664	2,171,702	1,750,049	3,921,751	1,677,730
July - 7	1,007,657	2,107,199	3,114,856	936,785	2,169,622	1,774,482	3,944,104	1,675,973
14	970,887	2,104,746	3,075,633	920,329	2,135,782	1,753,887	3,889,669	1,683,206
21	908,857	2,065,557	2,974,414	931,150	2,112,612	1,713,430	3,826,042	1,696,249
28	963,087	2,068,520	3,031,607	933,419	2,094,002	1,696,877	3,790,879	1,700,258
Aug. - 4	1,112,752	2,100,424	3,213,176	934,075	2,137,957	1,733,470	3,871,427	1,680,624
11	987,937	2,096,774	3,084,711	933,408	2,094,257	1,749,691	3,843,948	1,673,993
18	986,887	2,085,638	3,072,525	936,350	2,048,109	1,744,990	3,793,099	1,664,095
25	953,112	2,068,523	3,021,635	918,629	2,035,077	1,721,810	3,756,887	1,646,733
Sept. - 1	942,748	2,094,377	3,037,125	886,194	2,050,167	1,770,857	3,821,024	1,628,805
8	951,577	2,130,447	3,082,024	871,589	2,035,137	1,839,637	3,874,774	1,600,490
15	960,837	2,110,382	3,071,219	880,604	2,040,582	1,876,979	3,917,561	1,578,323
22	958,172	2,136,764	3,094,936	879,622	2,044,777	1,976,398	4,021,175	1,566,044
29	1,009,192	2,139,103	3,148,295	875,941	2,124,947	2,056,409	4,181,356	1,556,710
Oct. - 6	1,056,872	2,183,174	3,240,046	874,147	2,154,702	2,260,928	4,415,630	1,523,790
13	1,067,041	2,193,619	3,260,660	884,559	2,262,667	2,384,197	4,646,864	1,506,779
20	1,063,537	2,205,229	3,268,766	890,881	2,253,322	2,428,883	4,682,205	1,496,822
27	1,028,497	2,177,166	3,205,663	908,487	2,232,637	2,452,871	4,685,508	1,495,050
Nov. - 3	1,170,592	2,221,184	3,391,776	905,960	2,262,102	2,468,384	4,730,486	1,471,299
10	1,118,247	2,307,541	3,425,788	902,904	2,210,412	2,508,855	4,719,267	1,461,273
17	1,153,467	2,375,284	3,528,751	902,362	2,192,037	2,490,010	4,682,047	1,476,165
24	1,115,972	2,444,887	3,560,859	903,466	2,155,162	2,462,646	4,617,808	1,453,403
Dec. - 1	1,082,867	2,402,500	3,485,367	903,293	2,183,947	2,493,462	4,677,409	1,460,964
8	1,058,747	2,310,941	3,369,688	906,743	2,157,827	2,504,338	4,662,165	1,449,322
15	1,013,352	2,242,989	3,256,341	895,848	2,168,926	2,485,614	4,654,540	1,457,994
22	983,836	2,189,659	3,173,495	907,249	2,155,937	2,490,463	4,646,400	1,440,300
29	967,027	2,203,267	3,170,294	889,663	2,154,642	2,420,277	4,574,919	1,462,693
1850:								
Jan. - 5	982,441	2,211,246	3,193,687	890,479	2,190,142	2,471,301	4,661,443	1,472,888
12	967,827	2,175,529	3,143,356	905,027	2,211,972	2,467,863	4,679,855	1,489,568
19	954,122	2,116,533	3,070,655	927,332	2,212,242	2,456,690	4,668,932	1,495,938
26	939,304	2,104,454	3,043,758	939,647	2,217,954	2,451,138	4,669,092	1,521,466
Feb. - 2	1,025,452	2,110,231	3,135,683	942,059	2,228,051	2,465,017	4,693,068	1,528,614
9	990,077	2,086,340	3,076,417	945,955	2,198,781	2,467,096	4,665,877	1,536,966
16	978,552	2,058,351	3,036,903	960,944	2,192,851	2,422,027	4,614,879	1,554,753
23	920,532	2,048,335	2,968,867	940,447	2,186,319	2,382,828	4,569,148	1,531,811
Mar. - 2	1,031,092	2,048,958	3,080,050	949,429	2,219,104	2,372,008	4,591,113	1,499,724
9	947,357	2,040,895	3,015,252	917,648	2,171,479	2,328,419	4,499,899	1,500,627
16	918,752	2,016,390	2,935,142	926,570	2,186,464	2,278,497	4,464,962	1,501,067
23	934,977	2,009,087	2,944,064	929,913	2,160,744	2,244,583	4,405,328	1,481,976
30	979,517	2,015,721	2,995,238	915,338	2,208,749	2,234,222	4,442,972	1,467,156
April - 6	976,522	2,042,899	3,019,421	917,696	2,236,339	2,276,127	4,512,466	1,449,747
13	990,882	2,034,658	3,025,540	918,274	2,262,834	2,241,501	4,504,335	1,445,138
20	974,752	2,043,172	3,017,924	910,495	2,288,829	2,206,545	4,495,374	1,446,084
27	975,827	2,023,883	2,999,710	906,818	2,293,724	2,160,515	4,454,239	1,450,718
May - 4	1,092,732	2,076,376	3,169,108	886,450	2,365,909	2,187,296	4,553,206	1,436,994
11	1,082,692	2,116,020	3,198,712	869,822	2,313,784	2,170,806	4,484,590	1,435,493
18	1,192,946	2,218,387	3,411,333	855,095	2,267,109	2,116,206	4,383,316	1,437,768
25	1,210,077	2,357,159	3,567,236	861,458	2,217,609	2,073,752	4,291,361	1,444,926

Account of the Aggregate Weekly Circulation of the Notes of Banks of Issue in *Scotland* and *Ireland*—continued.

WEEK ENDING	SCOTLAND. Notes of £.5 and upwards.	Notes under £.5.	Total.	Amount of Bullion held.	IRELAND. Notes of £.5 and upwards.	Notes under £.5.	Total.	Amount of Bullion held.
1850:	£.	£.	£.	£.	£.	£.	£.	£.
June - 1	1,180,662	2,355,414	3,536,076	844,473	2,208,124	2,063,714	4,271,838	1,439,403
8	1,190,362	2,224,360	3,414,722	855,751	2,191,339	2,047,128	4,238,462	1,402,595
15	1,128,182	2,239,913	3,368,095	863,796	2,156,399	2,009,193	4,165,593	1,408,692
22	1,057,392	2,178,315	3,235,707	860,102	2,154,109	1,973,033	4,127,143	1,417,054
29	1,059,382	2,163,930	3,223,312	857,482	2,162,909	1,939,498	4,102,408	1,425,058
July - 6	1,025,187	2,182,198	3,207,385	834,968	2,194,134	2,000,163	4,194,297	1,422,797
13	1,106,132	2,181,577	3,287,709	827,719	2,178,269	1,977,166	4,155,436	1,428,680
20	973,417	2,126,389	3,099,806	841,810	2,117,184	1,939,182	4,056,367	1,440,558
27	979,062	2,111,431	3,090,493	834,439	2,106,059	1,928,833	4,034,892	1,441,431
August 3	1,165,067	2,161,566	3,326,633	832,134	2,159,514	1,958,396	4,117,911	1,416,358
10	1,015,352	2,158,367	3,173,719	824,449	2,133,079	1,970,777	4,103,856	1,395,066
17	1,029,287	2,142,708	3,171,995	825,978	2,102,144	1,991,005	4,093,150	1,380,776
24	997,292	2,119,830	3,117,122	822,518	2,072,269	2,033,789	4,106,059	1,363,178
31	1,019,132	2,152,232	3,171,364	823,762	2,126,824	2,034,508	4,161,333	1,344,072
Sept. - 7	1,034,262	2,200,416	3,234,678	818,156	2,102,864	2,152,517	4,255,382	1,318,593
14	1,005,327	2,201,902	3,207,229	816,755	2,099,914	2,198,147	4,298,061	1,289,899
21	1,005,859	2,196,415	3,202,274	824,986	2,124,909	2,272,530	4,397,440	1,277,384
28	1,092,733	2,160,731	3,253,464	825,946	2,140,634	2,397,475	4,538,109	1,283,466
Oct. - 5	1,064,317	2,243,116	3,307,433	826,489	2,223,019	2,521,216	4,744,235	1,255,898
12	1,094,867	2,218,529	3,313,396	828,639	2,260,559	2,643,135	4,903,695	1,239,738
19	1,071,157	2,234,832	3,305,989	841,828	2,265,352	2,728,576	4,993,928	1,226,039
26	1,045,007	2,234,878	3,279,885	845,459	2,269,912	2,761,052	5,030,965	1,231,736
Nov. - 2	1,080,007	2,295,202	3,375,209	859,125	2,290,467	2,758,179	5,048,646	1,234,123
9	1,180,457	2,344,414	3,524,871	883,384	2,268,269	2,749,566	5,017,836	1,234,305
16	1,185,447	2,405,213	3,590,660	896,129	2,211,069	2,710,598	4,921,667	1,266,793
23	1,215,737	2,478,922	3,694,659	909,127	2,196,794	2,701,903	4,898,697	1,275,122
30	1,145,444	2,421,371	3,566,815	967,466	2,229,249	2,707,234	4,936,483	1,282,541
Dec. - 7	1,180,447	2,353,241	3,533,688	975,586	2,223,099	2,731,270	4,954,370	1,277,584
14	1,073,390	2,277,292	3,350,682	992,790	2,174,719	2,723,902	4,898,622	1,288,830
21	1,036,352	2,205,337	3,241,689	967,600	2,152,849	2,680,912	4,833,761	1,277,674
28	1,042,972	2,213,587	3,256,559	972,808	2,119,152	2,621,941	4,741,093	1,288,536
1851:								
Jan. - 4	1,169,157	2,241,321	3,410,478	952,361	2,167,589	2,626,067	4,793,657	1,304,209
11	1,075,742	2,202,139	3,277,881	953,903	2,187,289	2,625,742	4,813,032	1,366,810
18	1,017,682	2,156,955	3,174,637	971,945	2,173,074	2,598,156	4,771,230	1,379,381
25	1,022,092	2,124,878	3,146,970	906,395	2,173,449	2,579,239	4,752,689	1,391,645
Feb. - 1	1,046,437	2,132,952	3,179,389	953,323	2,202,534	2,588,629	4,791,163	1,400,750
8	1,133,182	2,066,163	3,199,345	953,685	2,177,699	2,603,303	4,781,003	1,403,550
15	1,010,452	2,092,710	3,103,162	960,398	2,172,549	2,556,443	4,728,993	1,408,869
22	996,292	2,074,731	3,071,023	946,563	2,150,164	2,512,884	4,663,049	1,418,232
March 1	993,342	2,069,542	3,062,884	952,480	2,200,019	2,495,991	4,696,011	1,415,226
8	987,308	2,052,878	3,040,186	948,805	2,196,474	2,453,704	4,650,179	1,412,187
15	959,782	2,042,665	3,002,447	940,720	2,168,879	2,428,853	4,597,732	1,411,902
22	966,097	2,061,347	3,027,444	933,091	2,146,289	2,393,449	4,539,738	1,408,496
29	957,537	2,043,578	3,011,115	923,698	2,148,629	2,356,184	4,504,814	1,408,778
April - 5	1,030,507	2,090,424	3,120,931	912,859	2,198,479	2,389,713	4,588,192	1,387,445
12	999,992	2,087,334	3,087,326	914,236	2,236,204	2,347,708	4,583,912	1,338,539
19	1,019,387	2,100,916	3,120,303	919,114	2,282,745	2,297,857	4,580,602	1,333,699
26	994,637	2,084,362	3,078,999	922,483	2,266,180	2,249,739	4,515,919	1,322,394
May - 3	1,074,822	2,130,210	3,205,032	916,041	2,345,245	2,260,141	4,605,386	1,315,011
10	1,065,927	2,177,775	3,243,702	926,150	2,317,935	2,228,126	4,546,061	1,328,997
17	1,141,827	2,348,347	3,490,174	902,846	2,250,362	2,198,169	4,448,531	1,330,359
24	1,117,727	2,383,939	3,501,666	888,354	2,222,997	2,158,793	4,381,790	1,337,086
31	1,148,812	2,388,295	3,537,107	878,985	2,148,777	2,131,535	4,280,312	1,302,948
June - 7	1,117,207	2,332,038	3,449,245	874,693	2,141,942	2,102,183	4,244,125	1,298,483
14	1,132,942	2,275,742	3,408,684	874,811	2,110,165	2,059,291	4,169,456	1,294,514
21	1,092,566	2,195,734	3,288,300	874,055	2,072,745	2,028,461	4,101,206	1,298,829
28	1,027,302	2,167,070	3,194,372	871,623	2,022,975	1,983,513	4,006,488	1,297,657
July - 5	1,028,562	2,186,205	3,214,767	828,420	2,071,150	1,998,312	4,069,462	1,285,005
12	984,747	2,179,594	3,164,341	821,674	2,072,455	1,975,492	4,047,947	1,273,055
19	1,051,582	2,169,406	3,220,988	795,073	2,017,555	1,953,462	3,971,017	1,274,368
26	937,532	2,119,395	3,056,927	800,725	2,003,985	1,949,132	3,953,117	1,276,636

Account of the Aggregate Weekly Circulation of the Notes of Banks of Issue in *Scotland* and *Ireland*—continued.

WEEK ENDING	SCOTLAND.				IRELAND.			
	Notes of £.5 and upwards.	Notes under £.5.	Total.	Amount of Bullion held.	Notes of £.5 and upwards.	Notes under £.5.	Total.	Amount of Bullion held.
1851:	£.	£.	£.	£.	£.	£.	£.	£.
Aug. - 2	1,017,037	2,161,904	3,178,941	787,650	2,026,075	1,961,200	3,987,275	1,264,391
9	1,010,392	2,154,374	3,164,766	758,881	2,010,185	1,992,155	4,002,340	1,222,759
16	1,056,496	2,139,561	3,196,057	765,943	1,976,310	1,990,144	3,966,454	1,197,126
23	955,007	2,120,345	3,075,352	761,483	1,950,205	1,991,490	3,941,695	1,161,414
30	973,452	2,124,839	3,098,291	766,868	1,940,710	1,993,234	3,933,944	1,159,814
Sept. - 6	976,887	2,156,200	3,133,087	754,681	1,967,860	2,079,091	4,046,951	1,124,389
13	960,757	2,150,493	3,111,250	749,189	1,939,380	2,131,924	4,071,304	1,084,088
20	958,117	2,147,916	3,106,033	749,399	1,945,510	2,196,354	4,141,864	1,082,014
27	993,032	2,149,473	3,142,505	748,193	1,929,915	2,283,295	4,213,210	1,073,983
Oct. - 4	1,127,252	2,176,997	3,304,249	737,479	2,043,284	2,393,970	4,437,254	1,058,901
11	1,055,457	2,208,853	3,264,310	739,074	2,058,950	2,492,947	4,551,897	1,042,559
18	1,106,002	2,203,827	3,309,829	755,537	2,113,305	2,578,941	4,692,246	1,031,722
25	1,106,712	2,202,762	3,309,474	771,423	2,092,780	2,662,028	4,754,808	1,031,340
Nov. - 1	1,128,882	2,241,253	3,370,135	807,382	2,169,212	2,682,394	4,852,606	1,047,869
8	1,161,727	2,309,662	3,471,389	864,150	2,159,052	2,716,671	4,875,723	1,116,552
15	1,228,777	2,414,787	3,643,564	877,502	2,144,402	2,766,294	4,910,696	1,139,027
22	1,172,272	2,487,478	3,659,750	872,937	2,102,905	2,722,791	4,825,696	1,154,554
29	1,128,857	2,458,297	3,587,154	884,817	2,076,485	2,705,030	4,781,515	1,169,737
Dec. - 6	1,151,022	2,372,994	3,524,016	893,597	2,099,170	2,736,326	4,835,496	1,171,406
13	1,087,712	2,303,462	3,391,174	906,519	2,060,895	2,697,724	4,758,619	1,181,712
20	1,041,860	2,244,325	3,286,185	915,449	2,039,390	2,681,551	4,720,941	1,186,025
27	1,014,706	2,211,836	3,226,542	927,320	1,987,580	2,604,446	4,592,026	1,184,941
1852:								
Jan. - 3	1,148,162	2,270,840	3,419,002	904,351	2,038,513	2,625,577	4,664,092	1,200,745
10	1,066,092	2,253,543	3,319,635	929,183	2,063,310	2,651,159	4,714,469	1,208,841
17	1,044,467	2,203,655	3,248,122	944,998	2,056,350	2,649,303	4,705,653	1,223,724
24	982,052	2,165,216	3,147,268	967,576	2,028,482	2,609,140	4,637,622	1,238,082
31	1,074,977	2,171,086	3,246,063	946,137	2,033,945	2,633,033	4,666,978	1,249,535
Feb. - 7	1,060,957	2,171,111	3,232,068	956,653	2,028,925	2,677,071	4,705,996	1,249,518
14	1,028,337	2,133,157	3,161,494	965,242	2,037,765	2,604,218	4,641,983	1,262,140
21	973,522	2,102,297	3,075,819	984,545	2,019,110	2,582,568	4,601,678	1,268,723
28	1,006,912	2,094,858	3,101,770	986,600	2,028,505	2,538,408	4,566,913	1,276,800
March - 6	1,033,692	2,090,421	3,124,113	992,308	2,032,825	2,553,571	4,586,396	1,271,426
13	979,792	2,076,970	3,056,762	979,210	2,043,895	2,518,460	4,562,355	1,273,002
20	976,675	2,067,776	3,044,451	973,839	2,022,260	2,512,064	4,534,324	1,232,733
27	965,007	2,045,386	3,010,393	973,172	2,013,505	2,475,834	4,489,339	1,228,791
April - 3	1,088,677	2,096,598	3,185,275	976,037	2,047,765	2,514,489	4,562,254	1,205,645
10	1,018,887	2,117,390	3,126,274	963,883	2,099,255	2,485,295	4,584,550	1,197,157
17	1,018,707	2,097,246	3,115,953	968,326	2,142,835	2,432,465	4,575,300	1,205,901
24	1,022,467	2,092,881	3,115,348	965,060	2,152,435	2,390,989	4,543,424	1,211,385
May - 1	1,066,882	2,127,059	3,193,941	967,336	2,236,605	2,397,742	4,634,347	1,211,999
8	1,095,606	2,159,015	3,254,621	958,325	2,241,675	2,411,842	4,653,517	1,205,298
15	1,296,012	2,352,110	3,648,122	952,639	2,261,350	2,371,806	4,633,156	1,205,779
22	1,210,157	2,388,002	3,598,159	960,454	2,224,855	2,339,623	4,564,478	1,215,818
29	1,186,867	2,423,229	3,610,096	951,429	2,211,995	2,310,422	4,522,417	1,225,335
June - 5	1,265,512	2,384,396	3,649,908	958,897	2,219,525	2,318,567	4,538,092	1,212,349
12	1,165,052	2,298,007	3,463,059	972,693	2,187,790	2,305,183	4,492,973	1,216,564
19	1,102,637	2,245,594	3,348,231	967,523	2,135,300	2,262,387	4,397,687	1,227,335
26	1,079,982	2,197,246	3,277,228	992,078	2,143,770	2,209,919	4,353,689	1,234,421
July - 3	1,188,447	2,232,909	3,421,356	968,634	2,233,740	2,196,099	4,429,839	1,241,968
10	1,078,917	2,227,471	3,306,388	935,183	2,265,030	2,182,899	4,447,929	1,238,609
17	1,138,997	2,228,538	3,367,535	920,206	2,246,905	2,145,222	4,392,127	1,238,298
24	1,033,302	2,182,629	3,215,931	926,370	2,201,270	2,144,132	4,345,402	1,244,938
31	1,104,022	2,206,541	3,310,563	927,208	2,201,820	2,163,088	4,364,908	1,225,532
August 7	1,115,162	2,221,832	3,336,994	923,507	2,251,945	2,231,448	4,483,393	1,197,944
14	1,092,187	2,223,404	3,315,591	917,504	2,237,540	2,225,285	4,462,825	1,177,151
21	1,063,977	2,205,552	3,269,529	907,540	2,223,325	2,253,759	4,477,084	1,162,762
28	1,046,737	2,219,133	3,265,870	894,904	2,199,179	2,285,031	4,484,210	1,146,442
Sept. - 4	1,197,632	2,288,185	3,485,817	888,671	2,237,025	2,373,675	4,610,700	1,124,307
11	1,062,417	2,290,656	3,353,073	877,209	2,216,270	2,411,984	4,628,254	1,114,150
18	1,112,652	2,300,187	3,412,839	895,512	2,213,615	2,531,285	4,763,900	1,104,566
25	1,147,917	2,291,080	3,438,997	905,604	2,249,855	2,660,841	4,910,696	1,091,653

Account of the Aggregate Weekly Circulation of the Notes of Banks of Issue in *Scotland* and *Ireland*—continued.

WEEK ENDING	SCOTLAND.				IRELAND.			
	Notes of £.5 and upwards.	Notes under £. 5.	Total.	Amount of Bullion held.	Notes of £.5 and upwards.	Notes under £. 5.	Total.	Amount of Bullion held.
1852:	£.	£.	£.	£.	£.	£.	£.	£.
Oct. - 2	1,239,042	2,328,322	3,567,364	911,856	2,353,295	2,846,685	5,199,980	1,096,864
9	1,255,697	2,338,046	3,593,743	908,134	2,391,587	2,985,484	5,377,071	1,126,304
16	1,224,682	2,338,980	3,563,662	969,618	2,455,732	3,094,910	5,550,642	1,139,854
23	1,294,987	2,380,629	3,675,616	1,025,201	2,480,375	3,129,213	5,609,588	1,282,786
30	1,253,582	2,396,176	3,649,758	1,084,891	2,464,285	3,184,315	5,648,600	1,328,963
Nov. - 6	1,334,622	2,456,603	3,791,225	1,089,182	2,464,415	3,193,072	5,657,487	1,355,363
13	1,351,637	2,621,829	3,973,466	1,116,542	2,399,790	3,222,615	5,622,405	1,364,023
20	1,323,452	2,653,529	3,976,981	1,138,279	2,415,685	3,182,457	5,598,142	1,367,128
27	1,239,812	2,634,057	3,873,869	1,180,910	2,390,775	3,223,810	5,614,585	1,449,293
Dec. - 4	1,349,077	2,596,061	3,945,138	1,196,642	2,442,885	3,271,009	5,713,894	1,475,197
11	1,240,122	2,525,920	3,766,042	1,212,273	2,399,135	3,288,415	5,687,550	1,479,648
18	1,234,197	2,432,147	3,666,344	1,212,358	2,405,730	3,268,640	5,674,370	1,482,856
25	1,271,067	2,407,693	3,678,760	1,232,608	2,385,440	3,280,517	5,665,957	1,474,909
1853:								
Jan. - 1	1,305,262	2,467,386	3,772,648	1,181,005	2,396,045	3,238,582	5,634,627	1,494,481
8	1,219,032	2,415,559	3,634,591	1,202,787	2,409,815	3,306,097	5,715,912	1,507,096
15	1,193,842	2,370,519	3,564,361	1,204,714	2,417,955	3,291,181	5,709,136	1,490,891
22	1,143,432	2,335,822	3,479,254	1,223,296	2,415,710	3,283,230	5,698,940	1,503,488
29	1,200,797	2,335,678	3,536,475	1,218,694	2,400,744	3,283,487	5,684,231	1,511,067
Feb. - 5	1,265,547	2,336,756	3,602,303	1,177,260	2,440,854	3,308,493	5,749,347	1,509,692
12	1,226,187	2,318,219	3,544,406	1,180,973	2,409,349	3,278,434	5,687,783	1,515,857
19	1,152,662	2,284,103	3,436,765	1,181,532	2,370,824	3,233,581	5,604,405	1,528,860
26	1,147,162	2,269,889	3,417,051	1,184,453	2,364,379	3,172,730	5,537,109	1,542,778
March - 5	1,172,477	2,281,535	3,454,012	1,160,479	2,375,629	3,172,674	5,548,303	1,541,881
12	1,189,987	2,270,295	3,460,282	1,136,216	2,353,579	3,147,875	5,501,454	1,538,451
19	1,180,422	2,263,832	3,444,254	1,148,920	2,357,295	3,138,022	5,495,317	1,532,540
26	1,176,382	2,245,678	3,422,060	1,148,228	2,398,330	3,142,217	5,540,547	1,485,127
April - 2	1,190,367	2,270,511	3,460,878	1,147,336	2,412,935	3,110,926	5,523,861	1,477,743
9	1,222,682	2,293,506	3,516,188	1,131,726	2,457,895	3,057,561	5,515,456	1,464,964
16	1,274,532	2,296,849	3,571,381	1,166,227	2,473,870	3,008,810	5,482,680	1,459,748
23	1,210,474	2,311,145	3,521,619	1,156,125	2,474,780	2,983,006	5,457,786	1,455,613
30	1,268,747	2,314,728	3,583,475	1,160,234	2,542,990	2,961,817	5,504,807	1,445,851
May - 7	1,278,762	2,392,227	3,670,989	1,147,784	2,590,800	2,979,189	5,569,989	1,442,838
14	1,456,872	2,516,382	3,973,254	1,142,413	2,550,169	2,951,449	5,501,618	1,444,457
21	1,488,857	2,545,523	4,034,380	1,188,792	2,531,735	2,887,594	5,419,329	1,408,652
28	1,479,739	2,616,490	4,096,229	1,227,924	2,498,995	2,855,597	5,354,592	1,412,023
June - 4	1,453,157	2,641,885	4,095,042	1,284,329	2,548,680	2,852,580	5,401,260	1,428,658
11	1,314,052	2,565,212	3,879,264	1,317,525	2,467,615	2,821,888	5,289,503	1,432,786
18	1,303,707	2,486,060	3,789,767	1,311,680	2,449,625	2,738,499	5,188,124	1,442,618
25	1,265,471	2,445,160	3,710,631	1,325,409	2,437,560	2,685,550	5,123,110	1,449,052
July - 2	1,305,537	2,470,937	3,776,474	1,291,190	2,458,889	2,713,576	5,172,465	1,453,779
9	1,278,690	2,491,009	3,769,699	1,236,864	2,496,306	2,714,510	5,210,816	1,459,721
16	1,322,860	2,497,343	3,820,203	1,176,936	2,453,217	2,706,778	5,159,995	1,486,458
23	1,200,337	2,444,474	3,644,811	1,219,391	2,451,082	2,652,431	5,103,513	1,463,413
30	1,265,752	2,463,368	3,729,120	1,179,497	2,426,152	2,688,084	5,114,236	1,471,097
Aug. - 6	1,307,497	2,483,565	3,791,062	1,174,867	2,495,427	2,755,700	5,251,127	1,454,383
13	1,246,872	2,500,549	3,747,421	1,162,295	2,442,202	2,765,014	5,207,216	1,448,143
20	1,210,587	2,467,015	3,677,602	1,175,049	2,405,357	2,777,547	5,182,904	1,440,569
27	1,191,002	2,466,927	3,657,929	1,178,575	2,410,702	2,798,511	5,209,213	1,448,547
Sept. - 3	1,297,477	2,535,156	3,832,633	1,180,338	2,452,992	2,869,229	5,322,221	1,454,072
10	1,227,626	2,560,879	3,788,505	1,169,490	2,439,247	2,913,027	5,352,274	1,446,344
17	1,293,051	2,501,858	3,794,909	1,187,947	2,461,042	2,992,577	5,453,619	1,493,203
24	1,258,197	2,582,944	3,841,141	1,188,143	2,447,807	3,062,437	5,510,244	1,526,493
Oct. - 1	1,344,312	2,604,066	3,948,378	1,188,931	2,539,252	3,188,567	5,727,819	1,586,343
8	1,383,445	2,633,394	4,016,839	1,187,555	2,669,559	3,364,452	6,034,011	1,599,620
15	1,334,907	2,628,855	3,963,762	1,288,760	2,754,992	3,519,107	6,274,099	1,746,843
22	1,330,267	2,644,539	3,974,806	1,301,521	2,772,667	3,589,733	6,362,400	1,891,981
29	1,333,847	2,661,510	3,995,357	1,374,956	2,782,342	3,615,364	6,397,706	1,927,333
Nov. - 5	1,376,055	2,718,590	4,094,645	1,411,503	2,805,792	3,605,437	6,411,229	1,938,616
12	1,505,072	2,853,266	4,358,338	1,444,631	2,768,767	3,638,704	6,407,471	1,951,212
19	1,461,967	2,875,308	4,337,275	1,536,065	2,719,212	3,637,668	6,356,880	1,970,954
26	1,428,432	2,927,274	4,355,706	1,582,960	2,714,532	3,626,780	6,341,312	1,984,118

Account of the Aggregate Weekly Circulation of the Notes of Banks of Issue in *Scotland* and *Ireland*—continued.

WEEK ENDING	SCOTLAND.				IRELAND.			
	Notes of £.5 and upwards.	Notes under £.5.	Total.	Amount of Bullion held.	Notes of £.5 and upwards.	Notes under £.5.	Total.	Amount of Bullion held.
1853:	£.	£.	£.	£.	£.	£.	£.	£.
Dec. - 3	1,484,437	2,862,917	4,347,354	1,579,013	2,783,317	3,687,043	6,470,360	1,988,520
10	1,349,202	2,760,256	4,109,458	1,574,339	2,796,030	3,656,123	6,452,153	1,963,715
17	1,311,812	2,712,150	4,023,962	1,560,216	2,715,300	3,742,502	6,457,802	1,966,329
24	1,315,082	2,655,316	3,970,398	1,523,142	2,701,450	3,731,152	6,432,602	1,954,326
31	1,413,651	2,749,343	4,162,994	1,475,203	2,752,587	3,610,156	6,362,743	1,982,014
1854:								
Jan. - 7	1,308,230	2,662,338	3,970,568	1,458,939	2,791,172	3,664,406	6,455,578	1,991,473
14	1,318,967	2,615,956	3,934,923	1,450,203	2,830,627	3,790,064	6,620,691	1,952,558
21	1,340,417	2,583,630	3,924,047	1,486,423	2,849,797	3,870,117	6,719,914	1,958,899
28	1,326,303	2,575,715	3,902,017	1,462,552	2,849,917	3,911,188	6,761,105	1,988,374
Feb. - 4	1,585,077	2,597,463	4,182,540	1,462,343	2,855,717	3,975,148	6,830,865	2,108,209
11	1,378,999	2,571,147	3,950,146	1,439,996	2,833,687	4,005,937	6,839,624	2,138,058
18	1,333,617	2,528,141	3,861,758	1,457,475	2,786,672	3,960,565	6,747,237	2,162,474
25	1,362,741	2,454,060	3,816,801	1,451,216	2,799,812	3,930,529	6,730,341	2,167,938
March 4	1,502,147	2,521,753	4,023,900	1,480,629	2,841,887	3,917,156	6,759,043	2,167,893
11	1,243,152	2,512,064	3,755,216	1,455,059	2,804,212	3,892,072	6,696,284	2,142,516
18	1,294,197	2,487,355	3,781,552	1,471,210	2,826,722	3,830,734	6,657,456	2,144,628
25	1,239,422	2,495,688	3,735,110	1,458,128	2,800,492	3,795,015	6,595,507	2,132,365
April - 1	1,329,582	2,504,115	3,833,697	1,469,667	2,850,302	3,788,698	6,639,000	2,065,527
8	1,341,232	2,556,720	3,897,952	1,426,057	2,915,952	3,751,316	6,667,268	2,052,403
15	1,345,797	2,523,857	3,869,654	1,439,098	2,936,993	3,726,885	6,663,878	2,042,173
22	1,320,955	2,509,682	3,830,637	1,432,514	2,961,322	3,628,541	6,589,863	2,063,502
29	1,362,980	2,525,681	3,888,661	1,447,629	3,038,432	3,583,495	6,621,927	2,042,785
May - 6	1,415,090	2,577,762	3,992,852	1,466,159	3,097,462	3,523,642	6,621,104	2,012,305
13	1,495,455	2,662,834	4,158,289	1,498,487	3,015,197	3,493,998	6,509,195	2,003,535
20	1,629,860	2,774,015	4,403,875	1,598,673	2,989,572	3,328,848	6,318,420	2,004,338
27	1,501,700	2,860,041	4,361,741	1,616,262	2,803,187	3,408,524	6,212,011	1,954,038
June - 3	1,541,480	2,817,353	4,358,833	1,655,207	2,877,487	3,281,184	6,158,671	1,879,905
10	1,448,145	2,703,824	4,151,969	1,667,649	2,868,352	3,163,709	6,032,061	1,872,744
17	1,431,210	2,659,286	4,090,496	1,642,815	2,800,493	3,083,993	5,884,486	1,819,498
24	1,385,330	2,589,853	3,975,183	1,595,615	2,736,472	3,041,984	5,778,456	1,834,879
July - 1	1,439,065	2,603,400	4,042,465	1,589,641	2,773,987	3,000,675	5,774,662	1,796,785
8	1,377,550	2,596,567	3,974,117	1,537,516	2,798,132	2,969,721	5,767,853	1,806,356
15	1,492,220	2,636,220	4,128,349	1,512,188	2,806,512	2,878,747	5,685,259	1,823,399
22	1,331,340	2,543,581	3,874,921	1,533,821	2,829,157	2,762,220	5,591,377	1,836,992
29	1,327,615	2,561,201	3,888,816	1,515,980	2,828,627	2,751,242	5,579,869	1,847,715
Aug. - 5	1,385,495	2,572,746	3,958,241	1,495,294	2,761,362	2,838,410	5,599,772	1,833,338
12	1,342,535	2,581,622	3,924,157	1,481,550	2,713,027	2,837,553	5,550,580	1,826,236
19	1,368,369	2,533,316	3,901,685	1,502,537	2,719,852	2,821,633	5,541,485	1,819,702
26	1,231,605	2,558,638	3,790,243	1,495,133	2,734,827	2,839,170	5,573,997	1,813,324
Sept. - 2	1,276,025	2,577,675	3,853,700	1,501,941	2,751,527	2,892,063	5,643,590	1,800,910
9	1,284,905	2,636,836	3,921,741	1,445,565	2,731,687	2,896,498	5,628,185	1,794,284
16	1,303,500	2,637,926	3,941,426	1,492,699	2,705,047	2,926,739	5,631,786	1,795,265
23	1,342,520	2,655,814	3,998,334	1,489,432	2,753,212	2,893,497	5,646,709	1,814,876
30	1,357,105	2,664,230	4,021,335	1,425,602	2,778,077	3,009,523	5,787,600	1,825,016
Oct. - 7	1,453,820	2,724,520	4,178,340	1,461,145	2,958,147	3,165,737	6,123,884	1,861,931
14	1,466,605	2,727,733	4,194,338	1,480,935	3,002,842	3,287,080	6,289,922	1,896,589
21	1,459,290	2,722,947	4,182,237	1,568,525	2,989,927	3,479,033	6,468,960	1,897,572
28	1,440,060	2,733,559	4,173,619	1,610,678	3,031,987	3,457,576	6,489,563	1,966,482
Nov. - 4	1,535,080	2,780,073	4,315,153	1,765,346	3,052,147	3,579,007	6,631,154	1,970,624
11	1,583,010	2,930,652	4,513,662	1,842,661	3,131,637	3,550,499	6,682,136	1,975,771
18	1,527,095	2,935,640	4,462,735	1,806,952	3,081,642	3,588,977	6,670,619	2,000,003
25	1,529,235	2,986,865	4,516,100	1,804,083	2,956,957	3,692,387	6,649,344	2,009,060
Dec. - 2	1,564,370	2,952,018	4,516,388	1,811,137	3,078,303	3,681,334	6,759,637	2,031,315
9	1,603,145	2,743,942	4,347,087	1,804,187	3,006,037	3,754,473	6,760,510	2,049,702
16	1,497,730	2,780,900	4,278,630	1,816,837	2,965,472	3,727,302	6,692,774	2,082,516
23	1,423,450	2,698,844	4,122,294	1,799,209	2,889,537	3,788,145	6,677,682	2,051,503
30	1,519,240	2,771,873	4,291,113	1,733,792	2,978,439	3,625,926	6,604,365	2,080,166
1855:								
Jan. - 6	1,440,235	2,692,944	4,133,179	1,714,153	3,060,652	3,725,896	6,786,548	2,080,938
13	1,431,270	2,668,088	4,099,358	1,711,749	2,949,152	3,832,153	6,781,305	2,118,490
20	1,368,275	2,586,191	3,954,466	1,736,737	3,126,032	3,632,242	6,758,274	2,130,331
27	1,348,135	2,570,935	3,919,070	1,713,700	3,029,514	3,720,773	6,750,287	2,137,146

(*continued*)

Account of the Aggregate Weekly Circulation of the Notes of Banks of Issue in *Scotland* and *Ireland*—continued.

WEEK ENDING	SCOTLAND.				IRELAND.			
	Notes of £.5 and upwards.	Notes under £.5.	Total.	Amount of Bullion held.	Notes of £.5 and upwards.	Notes under £.5.	Total.	Amount of Bullion held.
1855:	£.	£.	£.	£.	£.	£.	£.	£.
Feb. - 3	1,526,955	2,561,910	4,088,865	1,702,835	3,163,842	3,661,399	6,825,241	2,093,751
10	1,361,955	2,527,176	3,889,131	1,685,320	3,128,352	3,672,187	6,800,539	2,086,262
17	1,355,285	2,479,149	3,834,434	1,664,542	3,080,357	3,686,341	6,766,698	2,070,873
24	1,247,154	2,475,148	3,722,302	1,646,334	3,049,197	3,669,227	6,718,424	2,079,467
March 3	1,629,350	2,447,127	4,076,477	1,661,627	3,133,402	3,601,128	6,734,530	2,078,818
10	1,297,640	2,427,817	3,725,457	1,652,808	3,054,027	3,587,746	6,641,773	2,064,754
17	1,328,020	2,394,096	3,722,116	1,627,626	3,011,511	3,524,050	6,535,562	2,044,130
24	1,250,275	2,405,519	3,655,794	1,600,357	3,023,132	3,429,614	6,452,746	2,050,486
31	1,282,295	2,384,287	3,666,582	1,611,605	2,962,702	3,435,641	6,398,343	1,995,704
April - 7	1,386,145	2,478,391	3,864,536	1,600,325	3,085,387	3,463,390	6,548,777	1,975,953
14	1,347,700	2,437,166	3,784,866	1,616,471	3,088,973	3,361,003	6,449,976	1,980,837
21	1,349,195	2,439,530	3,788,725	1,609,778	3,119,443	3,262,857	6,382,300	1,986,681
28	1,326,625	2,441,402	3,768,027	1,624,420	3,116,342	3,225,188	6,341,530	1,980,797
May - 5	1,446,975	2,514,421	3,961,396	1,650,410	3,142,708	3,230,728	6,373,436	1,913,318
12	1,530,005	2,556,667	4,086,672	1,657,002	3,111,730	3,160,017	6,271,748	1,916,610
19	1,615,325	2,708,616	4,323,941	1,748,060	3,077,965	3,059,220	6,137,185	1,906,885
26	1,671,960	2,826,762	4,498,722	1,737,938	3,041,564	2,998,115	6,039,680	1,909,101
June - 2	1,629,015	2,777,108	4,406,123	1,784,293	3,009,254	2,974,959	5,984,213	1,880,102
9	1,614,540	2,667,472	4,282,012	1,845,502	2,974,219	2,952,653	5,926,873	1,886,648
16	1,600,960	2,635,324	4,236,284	1,841,217	2,933,002	2,865,180	5,798,183	1,881,301
23	1,503,895	2,561,483	4,065,378	1,836,562	2,879,042	2,853,696	5,732,739	1,894,229
30	1,506,845	2,593,762	4,100,607	1,811,780	2,896,215	2,796,559	5,692,774	1,851,530
July - 7	1,476,432	2,584,953	4,061,385	1,796,743	3,001,871	2,784,850	5,786,721	1,848,936
14	1,524,085	2,620,849	4,144,934	1,762,689	2,957,688	2,751,630	5,709,318	1,839,329
21	1,401,630	2,540,307	3,941,937	1,764,152	2,923,080	2,714,969	5,638,049	1,854,554
28	1,378,418	2,529,168	3,907,586	1,709,576	2,876,207	2,722,025	5,598,232	1,863,277
August 4	1,613,735	2,586,686	4,200,421	1,690,222	2,981,010	2,729,085	5,710,095	1,850,578
11	1,450,165	2,548,097	3,998,262	1,679,454	2,906,251	2,717,085	5,623,336	1,844,672
18	1,430,746	2,565,244	3,995,990	1,694,682	2,836,806	2,746,415	5,583,221	1,834,108
25	1,353,010	2,551,594	3,904,604	1,634,640	2,802,330	2,744,707	5,547,037	1,820,503
Sept. - 1	1,389,870	2,566,627	3,956,497	1,645,339	2,813,660	2,810,998	5,624,658	1,807,966
8	1,398,240	2,641,904	4,040,144	1,617,743	2,822,725	2,859,278	5,682,003	1,788,356
15	1,412,980	2,645,268	4,058,248	1,631,007	2,805,230	2,978,837	5,784,067	1,805,403
22	1,431,020	2,676,229	4,107,249	1,626,165	2,888,965	3,062,026	5,950,991	1,826,646
29	1,507,038	2,663,766	4,170,804	1,653,405	2,994,150	3,188,845	6,182,995	1,874,548
Oct. - 6	1,580,520	2,728,009	4,308,529	1,641,268	3,197,000	3,345,922	6,542,922	1,987,531
13	1,612,575	2,708,859	4,321,434	1,663,586	3,277,405	3,516,480	6,793,885	2,066,881
20	1,583,270	2,721,373	4,304,643	1,807,093	3,266,700	3,634,018	6,900,808	2,113,279
27	1,540,735	2,734,016	4,274,751	1,889,921	3,222,310	3,694,544	6,916,854	2,149,737
Nov. - 3	1,610,080	2,793,412	4,403,492	1,914,303	3,285,065	3,719,215	7,004,280	2,228,534
10	1,646,185	2,855,016	4,501,201	1,958,171	3,259,835	3,711,284	6,971,119	2,247,233
17	1,642,545	2,941,455	4,584,000	1,964,613	3,239,575	3,707,964	6,947,539	2,283,540
24	1,654,572	3,048,748	4,703,320	1,967,048	3,192,375	3,742,199	6,934,574	2,299,413
Dec. - 1	1,646,700	2,973,144	4,619,844	1,971,580	3,199,465	3,858,249	7,057,714	2,302,668
8	1,588,590	2,883,668	4,472,258	1,996,450	3,191,176	3,870,662	7,061,838	2,282,386
15	1,474,925	2,800,166	4,275,091	1,919,287	3,175,436	3,886,615	7,062,051	2,288,941
22	1,483,815	2,752,062	4,235,877	1,889,070	3,073,516	3,918,005	6,991,521	2,309,617
29	1,463,100	2,750,112	4,213,212	1,858,511	3,018,231	3,850,850	6,869,081	2,343,680
1856:								
Jan. - 5	1,508,725	2,764,968	4,273,693	1,831,120	3,122,060	3,899,286	7,021,346	2,283,937
12	1,408,880	2,685,679	4,094,559	1,844,228	3,152,475	3,861,195	7,013,670	2,305,190
19	1,374,445	2,615,268	3,989,713	1,829,703	3,121,566	3,855,103	6,976,669	2,299,482
26	1,352,850	2,588,412	3,941,262	1,797,824	3,117,400	3,749,826	6,867,226	2,316,796
Feb. - 2	1,463,055	2,576,910	4,039,965	1,789,570	3,159,426	3,759,763	6,919,189	2,278,694
9	1,403,485	2,564,746	3,968,231	1,739,723	3,154,650	3,717,215	6,871,865	2,276,778
16	1,360,910	2,519,591	3,880,501	1,718,468	3,093,731	3,658,556	6,752,287	2,284,499
23	1,311,300	2,463,312	3,774,612	1,654,118	3,102,256	3,552,733	6,654,989	2,328,276
March - 1	1,338,760	2,469,184	3,807,944	1,675,050	3,131,047	3,494,831	6,625,878	2,189,695
8	1,381,445	2,522,074	3,903,519	1,651,616	3,112,396	3,455,605	6,568,001	2,164,924
15	1,321,495	2,471,705	3,793,200	1,671,611	3,091,813	3,425,378	6,517,191	2,170,483
22	1,302,240	2,483,667	3,785,907	1,664,310	3,105,878	3,401,401	6,507,279	2,154,454
29	1,296,365	2,439,358	3,735,723	1,689,238	3,124,928	3,293,328	6,418,256	2,152,950

Account of the Aggregate Weekly Circulation of the Notes of Banks of Issue in *Scotland* and *Ireland*—continued.

WEEK ENDING	SCOTLAND.				IRELAND.			
	Notes of £. 5 and upwards.	Notes under £. 5.	Total.	Amount of Bullion held.	Notes of £. 5 and upwards.	Notes under £. 5.	Total.	Amount of Bullion held.
1856:	£.	£.	£.	£.	£.	£.	£.	£.
April - 5	1,327,445	2,524,401	3,851,846	1,676,155	3,163,453	3,357,852	6,521,305	2,094,659
12	1,282,725	2,477,349	3,760,074	1,692,015	3,129,083	3,323,053	6,452,136	2,089,519
19	1,318,585	2,493,099	3,811,684	1,676,809	3,191,766	3,312,548	6,504,314	2,072,634
26	1,301,390	2,472,357	3,773,747	1,706,311	3,167,823	3,275,385	6,443,208	2,050,754
May - 3	1,565,815	2,540,274	4,106,089	1,722,123	3,294,173	3,254,708	6,548,881	2,070,031
10	1,488,435	2,576,055	4,064,490	1,740,646	3,291,513	3,259,748	6,551,261	2,088,021
17	1,649,026	2,764,537	4,413,563	1,885,337	3,298,963	3,154,038	6,453,001	2,094,153
24	1,665,209	2,835,057	4,500,266	1,890,293	3,245,052	3,113,532	6,358,584	2,114,860
31	1,717,948	2,856,287	4,574,235	1,879,832	3,234,180	3,074,670	6,308,850	2,141,349
June - 7	1,631,845	2,771,143	4,402,988	1,898,651	3,247,533	3,089,553	6,337,086	2,123,539
14	1,586,240	2,692,463	4,278,703	1,911,448	3,163,433	3,049,526	6,212,959	2,147,235
21	1,523,445	2,623,105	4,146,550	1,894,214	3,126,023	3,032,911	6,158,934	2,174,018
28	1,431,690	2,592,029	4,023,719	1,881,211	3,111,605	2,977,457	6,089,062	2,157,701
July - 5	1,457,065	2,626,419	4,083,484	1,790,922	3,195,425	3,060,241	6,255,666	2,129,662
12	1,387,140	2,608,667	3,995,807	1,751,512	3,135,930	3,061,871	6,197,801	2,156,671
19	1,509,380	2,629,048	4,138,428	1,693,147	3,121,495	2,996,570	6,118,065	2,155,202
26	1,331,237	2,559,362	3,890,599	1,672,776	3,098,385	2,989,025	6,087,410	2,136,510
August 2	1,417,318	2,579,786	3,997,104	1,681,809	3,089,610	3,035,344	6,124,955	2,128,146
9	1,377,470	2,599,507	3,976,977	1,661,477	3,055,460	3,003,340	6,058,801	2,139,673
16	1,422,730	2,593,668	4,016,398	1,660,227	3,012,355	2,998,145	6,010,501	2,143,391
23	1,293,021	2,563,177	3,856,198	1,664,855	3,055,290	2,955,500	6,010,791	2,149,006
30	1,350,785	2,565,462	3,916,247	1,679,641	3,047,410	3,039,814	6,087,224	2,150,968
Sept. - 6	1,396,840	2,649,042	4,045,882	1,660,892	3,104,007	3,106,096	6,210,104	2,142,382
13	1,382,940	2,615,165	3,998,105	1,620,848	3,111,177	3,188,694	6,299,872	2,047,709
20	1,348,595	2,610,699	3,959,294	1,622,167	3,122,520	3,331,476	6,453,996	2,069,723
27	1,373,465	2,633,943	4,007,408	1,635,830	3,189,020	3,393,858	6,582,879	2,084,875
Oct. - 4	1,606,335	2,719,174	4,325,509	1,650,205	3,416,430	3,559,824	6,976,255	2,219,893
11	1,460,605	2,708,910	4,169,515	1,657,811	3,416,265	3,778,482	7,194,748	2,309,594
18	1,482,210	2,708,348	4,190,558	1,699,676	3,441,100	3,930,248	7,371,349	2,376,132
25	1,487,575	2,703,176	4,190,751	1,734,569	3,526,640	3,898,942	7,425,483	2,512,666
Nov. - 1	1,518,445	2,774,515	4,292,960	1,804,686	3,511,550	3,958,352	7,469,902	2,535,813
8	1,492,075	2,817,743	4,309,818	1,812,826	3,458,100	3,981,410	7,439,510	2,564,244
15	1,586,315	2,942,639	4,528,954	1,805,009	3,455,735	3,971,919	7,427,654	2,558,877
22	1,610,825	3,036,272	4,647,097	1,834,929	3,394,170	3,971,728	7,365,899	2,595,532
29	1,597,615	2,982,484	4,580,099	1,823,238	3,368,930	3,963,682	7,332,613	2,621,683
Dec. - 6	1,527,625	2,907,913	4,435,538	1,829,373	3,376,202	3,980,969	7,357,172	2,604,912
13	1,466,745	2,829,411	4,296,156	1,829,348	3,344,755	3,993,674	7,338,430	2,582,916
20	1,372,590	2,713,167	4,085,757	1,834,816	3,264,990	3,936,016	7,201,007	2,681,251
27	1,378,875	2,701,792	4,080,667	1,848,655	3,184,953	3,848,791	7,033,744	2,739,889
1857:								
Jan. - 3	1,585,920	2,761,553	4,347,473	1,851,827	3,277,873	3,865,953	7,143,826	2,778,174
10	1,400,670	2,681,492	4,082,162	1,764,368	3,271,578	3,945,728	7,217,306	2,792,116
17	1,377,125	2,613,302	3,990,427	1,794,184	3,339,308	3,940,649	7,279,957	2,821,011
24	1,357,525	2,566,388	3,923,913	1,806,975	3,299,568	3,945,193	7,244,761	2,802,248
31	1,473,480	2,543,215	4,016,695	1,726,227	3,298,170	3,945,901	7,244,079	2,719,327
Feb. - 7	1,410,355	2,563,817	3,974,172	1,684,278	3,327,328	3,952,678	7,280,006	2,649,970
14	1,409,055	2,507,429	3,916,484	1,672,153	3,312,403	3,934,373	7,246,776	2,674,250
21	1,324,675	2,491,795	3,816,470	1,669,849	3,301,843	3,883,634	7,185,477	2,638,706
28	1,374,490	2,459,259	3,833,749	1,675,691	3,288,698	3,881,456	7,170,154	2,634,238
March - 7	1,397,320	2,516,425	3,913,745	1,642,818	3,299,448	3,888,569	7,188,017	2,565,449
14	1,299,310	2,450,660	3,749,970	1,628,685	3,323,017	3,826,177	7,149,194	2,518,409
21	1,260,115	2,446,220	3,706,335	1,647,974	3,283,478	3,815,477	7,098,955	2,491,670
28	1,233,840	2,416,080	3,649,920	1,598,305	3,288,470	3,799,628	7,088,098	2,493,137
April - 4	1,563,815	2,536,467	4,100,282	1,548,571	3,358,090	3,857,211	7,215,301	2,487,907
11	1,380,060	2,493,769	3,873,829	1,544,079	3,385,858	3,828,907	7,214,765	2,501,418
18	1,386,280	2,481,249	3,867,529	1,554,949	3,410,138	3,726,605	7,136,743	2,531,841
25	1,329,295	2,470,569	3,799,864	1,568,406	3,443,633	3,675,924	7,119,557	2,533,092
May - 2	1,465,880	2,518,084	3,983,964	1,614,958	3,553,408	3,646,239	7,199,647	2,472,227
9	1,513,525	2,566,475	4,080,000	1,616,540	3,522,178	3,642,616	7,164,794	2,451,410

Inland Revenue Office,
5 June 1857.

Appendix, No. 19.

AN ACCOUNT of the AGGREGATE WEEKLY CIRCULATION of BANK NOTES in the UNITED KINGDOM, distinguishing those of the Bank of *England* in the hands of the Public, and the Issues of other Banks in *England, Scotland,* and *Ireland,* from 1844 to the present time.

WEEK ENDING	ENGLAND.					SCOTLAND.	IRELAND.			TOTAL Circulation in the United Kingdom.
	Bank of England Notes in the hands of the Public.	Private Banks.	Joint Stock Banks.	TOTAL of English Country Issues.	TOTAL Circulation in England.	Chartered Private and Joint Stock Banks.	Bank of Ireland.	Other Banks.	TOTAL in Ireland.	
1844:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
October 19	21,083,000	4,731,957	3,305,830	8,037,787	29,120,787	—	—	—	—	—
26	21,321,000	4,674,744	3,229,605	7,904,349	29,225,349	—	—	—	—	—
November 2	20,820,000	4,618,524	3,196,154	7,814,678	28,634,678	—	—	—	—	—
9	20,557,000	4,531,688	3,148,236	7,679,924	28,236,924	—	—	—	—	—
16	20,581,000	4,483,841	3,128,725	7,612,566	28,193,566	—	—	—	—	—
23	20,118,000	4,459,275	3,097,090	7,556,365	27,674,365	—	—	—	—	—
30	19,842,000	4,421,367	3,073,915	7,495,282	27,337,282	—	—	—	—	—
December 7	19,531,000	4,406,596	3,046,989	7,453,585	26,984,585	—	—	—	—	—
14	19,258,000	4,423,864	3,048,081	7,471,945	26,729,945	—	—	—	—	—
21	19,192,000	4,411,519	3,059,096	7,470,615	26,662,615	—	—	—	—	—
28	19,123,000	4,411,615	3,058,770	7,470,385	26,593,385	—	—	—	—	—
1845:										
January 4	19,669,000	4,469,699	3,061,893	7,531,592	27,200,592	—	—	—	—	—
11	20,390,000	4,607,082	3,161,336	7,768,418	28,158,418	—	—	—	—	—
18	20,545,000	4,617,450	3,159,727	7,777,177	28,322,177	—	—	—	—	—
25	20,710,000	4,576,098	3,135,916	7,712,014	28,422,014	—	—	—	—	—
February 1	20,590,000	4,508,784	3,092,885	7,601,669	28,191,669	—	—	—	—	—
8	20,319,000	4,474,595	3,110,603	7,585,198	27,904,198	—	—	—	—	—
15	20,142,000	4,424,972	3,105,409	7,530,381	27,672,381	—	—	—	—	—
22	19,790,000	4,386,800	3,090,335	7,477,135	27,267,135	—	—	—	—	—
March 1	20,000,000	4,359,778	3,053,219	7,412,997	27,412,997	—	—	—	—	—
8	19,699,000	4,363,982	3,097,266	7,461,248	27,160,248	—	—	—	—	—
15	19,697,000	4,393,929	3,135,294	7,529,223	27,226,223	—	—	—	—	—
22	19,540,000	4,457,184	3,155,959	7,613,143	27,153,143	—	—	—	—	—
29	19,724,000	4,585,077	3,202,838	7,787,915	27,511,915	—	—	—	—	—
April 5	20,100,000	4,672,081	3,277,104	7,949,185	28,049,185	—	—	—	—	—
12	21,216,000	4,715,203	3,352,623	8,067,826	29,283,826	—	—	—	—	—
19	21,393,000	4,681,723	3,323,308	8,005,031	29,398,031	—	—	—	—	—
26	21,152,000	4,680,648	3,272,014	7,952,662	29,104,662	—	—	—	—	—

May	3	21,389,000	4,677,812	3,278,550	7,956,362	29,295,362	—	—	—	—	—
	10	21,088,000	4,690,347	3,329,038	8,019,385	29,102,385	—	—	—	—	—
	17	20,606,000	4,631,306	3,338,964	7,970,270	28,576,270	—	—	—	—	—
	24	20,398,000	4,503,062	3,233,427	7,736,489	28,134,489	—	—	—	—	—
	31	20,453,000	4,435,537	3,149,463	7,585,000	28,038,000	—	—	—	—	—
June	7	20,350,000	4,418,678	3,136,361	7,555,039	27,905,039	—	—	—	—	—
	14	20,063,000	4,377,809	3,125,194	7,503,003	27,566,003	—	—	—	—	—
	21	20,214,000	4,363,486	3,113,459	7,476,945	27,690,945	—	—	—	—	—
	28	20,330,000	4,429,785	3,138,861	7,568,646	27,898,646	—	—	—	—	—
July	5	20,612,000	4,486,068	3,159,216	7,645,284	28,257,284	—	—	—	—	—
	12	21,614,000	4,520,820	3,205,058	7,725,878	29,339,878	—	—	—	—	—
	19	21,503,000	4,478,217	3,132,015	7,610,232	29,113,232	—	—	—	—	—
	26	21,301,000	4,452,483	3,115,838	7,568,321	28,869,321	—	—	—	—	—
August	2	21,347,000	4,436,852	3,106,614	7,543,466	28,890,466	—	—	—	—	—
	9	21,459,000	4,435,369	3,133,736	7,569,105	29,028,105	—	—	—	—	—
	16	21,582,000	4,392,135	3,141,733	7,533,868	29,115,868	—	—	—	—	—
	23	21,189,000	4,369,064	3,132,830	7,501,894	28,690,894	—	—	—	—	—
	30	21,050,000	4,369,963	3,129,952	7,499,915	28,549,915	—	—	—	—	—
September	6	20,698,000	4,352,795	3,145,959	7,498,754	28,196,754	—	—	—	—	—
	13	20,359,000	4,341,290	3,159,857	7,501,147	27,860,147	—	—	—	—	—
	20	20,470,000	4,403,682	3,232,099	7,635,781	28,105,781	—	—	—	—	—
	27	20,611,000	4,494,495	3,299,300	7,793,795	28,404,795	—	—	—	—	—
October	4	21,260,000	4,633,743	3,359,878	7,993,621	29,253,621	—	—	—	—	—
	11	21,031,000	4,706,984	3,354,863	8,061,847	29,092,847	—	—	—	—	—
	18	22,253,000	4,826,447	3,425,042	8,251,489	30,504,489	—	—	—	—	—
	25	22,026,000	4,797,208	3,384,997	8,182,205	30,208,205	—	—	—	—	—
November	1	22,047,000	4,710,599	3,301,059	8,011,658	30,058,658	—	—	—	—	—
	8	21,765,000	4,627,001	3,226,612	7,853,613	29,618,613	—	—	—	—	—
	15	21,492,000	4,616,047	3,240,968	7,857,015	29,349,015	—	—	—	—	—
	22	20,960,000	4,574,779	3,240,480	7,815,259	28,775,259	—	—	—	—	—
	29	20,801,000	4,553,380	3,225,007	7,778,387	28,579,387	—	—	—	—	—
December	6	20,595,000	4,532,987	3,181,093	7,714,080	28,309,080	—	—	—	—	—
	13	20,120,000	4,522,024	3,181,125	7,703,149	27,823,149	3,469,211	4,399,300	3,155,276	7,554,576	38,846,936
	20	20,051,000	4,492,380	3,158,898	7,651,278	27,702,278	3,325,119	4,391,100	3,093,498	7,484,598	38,511,995
	27	19,857,000	4,481,021	3,160,930	7,641,951	27,498,951	3,259,500	4,318,000	2,984,655	7,302,655	38,061,106
1846:											
January	3	20,257,000	4,527,174	3,149,226	7,676,400	27,933,400	3,291,826	4,296,400	2,979,247	7,275,647	38,500,873
	10	20,868,000	4,667,427	3,253,700	7,921,127	28,789,127	3,259,815	4,324,300	3,053,729	7,378,029	39,426,971
	17	21,180,000	4,704,085	3,305,557	8,009,642	29,189,642	3,185,086	4,320,400	3,107,018	7,427,418	39,802,146
	24	21,109,000	4,645,375	3,277,177	7,922,552	29,031,552	3,131,309	4,298,900	3,120,511	7,419,411	39,582,272
	31	21,474,000	4,559,421	3,180,436	7,739,857	29,213,857	3,152,725	4,280,300	3,137,976	7,418,276	39,784,858

(*continued*)

AN ACCOUNT of the Aggregate Weekly Circulation of Bank Notes in the United Kingdom, &c.—*continued.*

WEEK ENDING	ENGLAND.					SCOTLAND.	IRELAND.			TOTAL Circulation in the United Kingdom.
	Bank of England Notes in the hands of the Public.	Private Banks.	Joint Stock Banks.	TOTAL of English Country Issues.	TOTAL Circulation in England.	Chartered Private and Joint Stock Banks.	Bank of Ireland.	Other Banks.	TOTAL in Ireland.	
1846:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
February 7 -	20,435,000	4,548,496	3,145,741	7,694,237	28,129,237	3,152,463	4,310,800	3,158,671	7,469,471	38,751,171
14 -	20,126,000	4,479,857	3,122,363	7,602,220	27,728,220	3,097,930	4,303,000	3,151,624	7,454,624	38,280,774
21 -	20,085,000	4,438,726	3,098,090	7,536,816	27,621,816	3,040,965	4,293,200	3,175,491	7,468,691	38,131,472
28 -	20,021,000	4,417,865	3,068,126	7,485,991	27,506,991	3,043,840	4,310,400	3,175,734	7,486,134	38,036,965
March - 7 -	19,503,000	4,462,506	3,106,847	7,569,353	27,072,353	3,053,240	4,292,700	3,162,895	7,455,595	37,581,188
14 -	19,406,000	4,496,873	3,150,386	7,647,259	27,053,259	3,015,557	4,272,700	3,184,888	7,457,588	37,526,404
21 -	19,231,000	4,512,280	3,194,835	7,707,115	26,938,115	3,003,163	4,233,300	3,189,694	7,422,994	37,364,272
28 -	19,586,000	4,590,013	3,255,696	7,845,709	27,431,709	3,003,159	4,230,100	3,213,575	7,443,675	37,878,543
April - 4 -	19,866,000	4,716,551	3,297,360	8,013,911	27,879,911	3,055,598	4,317,300	3,236,044	7,553,344	38,488,853
11 -	20,302,000	4,792,473	3,345,418	8,137,891	28,439,891	3,158,468	4,367,100	3,227,761	7,594,861	39,193,220
18 -	20,516,000	4,760,660	3,335,327	8,095,987	28,611,987	3,082,226	4,382,500	3,139,964	7,522,464	39,216,677
25 -	20,561,000	4,699,970	3,229,751	7,929,721	28,490,721	3,089,000	4,353,200	3,121,433	7,474,633	39,054,354
May - 2 -	20,664,000	4,711,565	3,262,541	7,974,106	28,638,106	3,177,021	4,414,600	3,095,522	7,510,122	39,325,249
9 -	20,409,000	4,699,117	3,309,846	8,008,963	28,417,963	3,261,316	4,400,700	3,088,672	7,489,372	39,168,651
16 -	20,023,000	4,646,279	3,295,375	7,941,654	27,964,654	3,571,919	4,348,200	3,056,736	7,404,936	38,941,509
23 -	19,932,000	4,546,578	3,191,270	7,737,848	27,669,848	3,595,291	4,274,100	3,009,796	7,283,896	38,549,035
30 -	19,950,000	4,523,756	3,141,367	7,665,123	27,615,123	3,652,400	4,207,800	2,946,202	7,154,002	38,421,525
June - 6 -	19,857,000	4,502,975	3,161,608	7,664,583	27,521,583	3,536,708	4,155,000	2,880,168	7,035,168	38,093,459
13 -	19,592,000	4,438,713	3,133,570	7,572,283	27,164,283	3,456,198	4,096,800	2,825,973	6,922,773	37,543,254
20 -	19,374,000	4,361,008	3,076,219	7,437,227	26,811,227	3,389,338	4,019,800	2,756,370	6,776,170	36,976,735
27 -	19,609,000	4,380,490	3,074,136	7,454,626	27,063,626	3,327,529	3,993,000	2,734,261	6,727,261	37,118,416
July - 4 -	20,019,000	4,400,154	3,066,445	7,466,599	27,485,599	3,438,416	4,038,000	2,712,041	6,750,041	37,674,056
11 -	20,841,000	4,443,508	3,110,709	7,554,217	28,395,217	3,379,093	4,016,600	2,676,214	6,692,814	38,467,124
18 -	21,001,000	4,418,209	3,108,469	7,526,678	28,527,678	3,415,229	3,935,900	2,639,964	6,575,864	38,518,771
25 -	20,750,000	4,420,066	3,085,490	7,505,556	28,255,556	3,301,877	3,872,500	2,609,650	6,482,150	38,039,583
August - 1 -	20,495,000	4,382,633	3,062,903	7,445,536	27,940,536	3,377,059	3,884,800	2,623,789	6,508,589	37,826,184
8 -	20,311,000	4,344,413	3,057,985	7,402,398	27,713,398	3,392,445	3,883,800	2,596,482	6,480,282	37,586,125
15 -	20,855,000	4,305,495	3,040,356	7,345,851	28,200,851	3,416,267	3,865,700	2,585,355	6,451,055	38,068,173
22 -	20,148,000	4,329,503	3,050,555	7,380,058	27,528,058	3,362,753	3,844,200	2,584,035	6,428,235	37,319,046
29 -	20,426,000	4,384,070	3,085,200	7,469,270	27,895,270	3,411,877	3,918,100	2,622,627	6,540,727	37,847,874

September	5	-	20,530,000	4,432,067	3,136,216	7,568,283	28,098,283	3,498,905	3,966,500	2,582,708	6,549,208	38,146,396
	12	-	20,018,000	4,485,484	3,174,195	7,659,679	27,677,679	3,513,645	3,965,500	2,769,038	6,734,538	37,925,862
	19	-	19,941,000	4,552,838	3,243,096	7,795,934	27,736,934	3,591,780	4,026,800	2,872,801	6,899,601	38,228,315
	26	-	19,867,000	4,637,422	3,287,211	7,924,633	27,791,633	3,593,633	4,117,900	3,000,241	7,118,141	38,503,407
October	3	-	20,551,000	4,730,269	3,278,256	8,008,525	28,559,525	3,759,766	4,267,200	3,123,914	7,391,114	39,710,405
	10	-	20,772,000	4,746,527	3,241,801	7,988,328	28,760,328	3,715,474	4,326,400	3,270,976	7,597,376	40,073,178
	17	-	21,332,000	4,851,883	3,349,652	8,201,535	29,533,535	3,779,406	4,429,400	3,315,664	7,745,064	41,058,005
	24	-	21,280,000	4,814,017	3,381,305	8,195,322	29,475,322	3,795,451	4,419,100	3,382,907	7,802,007	41,072,780
	31	-	21,376,000	4,777,300	3,311,399	8,088,699	29,464,699	3,684,518	4,424,500	3,451,529	7,876,029	41,025,246
November	7	-	20,971,000	4,690,837	3,195,007	7,885,844	28,856,844	3,801,706	4,451,000	3,473,217	7,924,217	40,582,767
	14	-	20,410,000	4,655,313	3,210,983	7,866,296	28,276,296	4,046,526	4,419,600	3,494,600	7,914,200	40,237,022
	21	-	20,208,000	4,612,516	3,198,650	7,811,166	28,019,166	4,034,157	4,403,300	3,495,627	7,898,927	39,952,250
	28	-	19,988,000	4,587,286	3,199,420	7,786,706	27,774,706	4,000,372	4,345,100	3,463,845	7,808,945	39,584,023
December	5	-	19,867,000	4,531,314	3,152,649	7,683,963	27,550,963	3,906,418	4,332,100	3,403,963	7,736,063	39,193,444
	12	-	19,787,000	4,513,451	3,132,972	7,646,423	27,433,423	3,861,294	4,268,800	3,357,139	7,625,939	38,920,656
	19	-	19,549,000	4,499,871	3,132,655	7,632,526	27,181,526	3,707,617	4,221,500	3,331,741	7,553,241	38,442,384
	26	-	19,628,000	4,528,195	3,145,703	7,673,898	27,301,898	3,741,836	4,156,400	3,266,564	7,422,964	38,466,698
1847:												
January	2	-	20,031,000	4,562,539	3,142,628	7,705,167	27,736,167	3,837,881	4,202,200	3,257,316	7,459,516	39,033,564
	9	-	20,837,000	4,689,665	3,247,599	7,937,264	28,774,264	3,708,682	4,194,000	3,225,840	7,419,840	39,902,786
	16	-	20,679,000	4,734,415	3,315,425	8,049,840	28,728,840	3,651,848	4,136,800	3,159,769	7,296,569	39,677,257
	23	-	20,599,000	4,679,306	3,281,603	7,960,909	28,559,909	3,510,206	4,052,400	3,094,175	7,146,575	39,216,690
	30	-	20,469,000	4,598,043	3,226,931	7,824,974	28,293,974	3,532,193	4,078,000	3,096,726	7,174,726	39,000,893
February	6	-	19,613,000	4,589,136	3,213,688	7,802,824	27,415,824	3,585,032	4,087,700	3,078,766	7,166,466	38,167,322
	13	-	19,724,000	4,563,495	3,210,079	7,773,574	27,497,574	3,533,346	4,038,900	3,035,520	7,074,420	38,105,340
	20	-	19,482,000	4,527,347	3,198,849	7,726,196	27,208,196	3,444,096	3,995,700	2,986,487	6,982,187	37,634,479
	27	-	19,333,000	4,517,263	3,169,919	7,687,182	27,020,182	3,450,751	3,985,500	2,911,650	6,897,150	37,368,083
March	6	-	19,279,000	4,517,270	3,206,385	7,723,655	27,002,655	3,433,873	3,952,500	2,892,989	6,845,489	37,282,017
	13	-	19,232,000	4,514,605	3,235,322	7,749,927	26,981,927	3,357,356	3,855,900	2,948,308	6,804,208	37,143,491
	20	-	19,069,000	4,530,945	3,259,789	7,790,734	26,859,734	3,322,251	3,837,400	2,820,721	6,658,121	36,840,106
	27	-	19,444,000	4,605,510	3,292,597	7,898,107	27,342,107	3,327,936	3,785,400	2,825,742	6,611,142	37,281,185
April	3	-	19,855,000	4,701,163	3,338,669	8,039,832	27,894,832	3,469,045	3,853,600	2,847,750	6,701,350	38,065,227
	10	-	20,403,000	4,777,458	3,358,162	8,135,620	28,538,620	3,377,814	3,845,200	2,771,758	6,616,958	38,533,392
	17	-	20,243,000	4,722,449	3,281,970	8,004,419	28,247,419	3,368,865	3,795,000	2,654,887	6,449,887	38,066,171
	24	-	19,830,000	4,690,320	3,230,217	7,920,537	27,750,537	3,366,391	3,720,300	2,596,457	6,316,757	37,433,685
May	1	-	19,766,000	4,694,066	3,260,891	7,954,957	27,720,957	3,295,367	3,749,600	2,524,673	6,274,273	37,290,597
	8	-	19,592,000	4,664,338	3,285,766	7,950,104	27,542,104	3,350,444	3,677,200	2,431,012	6,108,212	37,000,760
	15	-	19,174,000	4,591,512	3,261,115	7,852,627	27,026,627	3,707,437	3,587,200	2,355,779	5,942,979	36,677,043
	22	-	18,780,000	4,504,394	3,200,487	7,704,881	26,484,881	3,714,554	3,480,100	2,268,801	5,748,901	35,948,336
	29	-	18,662,000	4,458,639	3,146,603	7,605,242	26,267,242	3,791,777	3,414,000	2,213,648	5,627,648	35,686,667

(*continued*)

AN ACCOUNT of the Aggregate Weekly Circulation of Bank Notes in the United Kingdom, &c.—*continued*.

WEEK ENDING	ENGLAND.					SCOTLAND.	IRELAND.			TOTAL Circulation in the United Kingdom.
	Bank of England Notes in the hands of the Public.	Private Banks.	Joint Stock Banks.	TOTAL of English Country Issues.	TOTAL Circulation in England.	Chartered Private and Joint Stock Banks.	Bank of Ireland.	Other Banks.	TOTAL in Ireland.	
1847:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
June - 5 -	18,346,000	4,409,723	3,093,945	7,503,668	25,849,668	3,676,918	3,371,300	2,162,027	5,533,327	35,059,913
12 -	18,218,000	4,358,943	3,084,792	7,443,735	25,661,735	3,606,899	3,302,500	2,109,684	5,412,184	34,680,818
19 -	17,968,000	4,314,771	3,028,278	7,343,049	25,311,049	3,513,683	3,221,800	2,064,858	5,286,658	34,111,390
26 -	18,051,000	4,329,390	3,028,791	7,358,181	25,409,181	3,471,573	3,179,000	2,042,476	5,221,476	34,102,230
July - 3 -	18,404,000	4,341,750	3,029,260	7,371,010	25,775,010	3,569,630	3,269,000	2,038,565	5,307,565	34,652,205
10 -	18,973,000	4,370,099	3,052,230	7,422,329	26,395,329	3,476,581	3,270,100	2,029,229	5,299,329	35,171,239
17 -	19,164,000	4,315,106	3,025,810	7,340,916	26,504,916	3,465,929	3,211,800	1,989,355	5,201,155	35,172,000
24 -	18,903,000	4,290,658	3,012,178	7,302,836	26,205,836	3,341,946	3,141,500	1,981,685	5,123,185	34,670,967
31 -	18,892,000	4,262,301	2,974,544	7,236,845	26,128,845	3,430,230	3,125,000	1,967,966	5,092,966	34,652,041
August - 7 -	18,688,000	4,251,158	2,994,195	7,245,353	25,933,353	3,491,819	3,094,300	1,999,024	5,093,324	34,518,496
14 -	18,656,000	4,228,646	2,982,820	7,211,466	25,867,466	3,558,629	3,067,600	2,011,917	5,079,517	34,505,612
21 -	18,127,000	4,185,578	2,948,452	7,134,030	25,261,030	3,465,033	3,015,600	2,008,367	5,023,967	33,750,030
28 -	18,236,000	4,164,321	2,927,734	7,092,055	25,328,055	3,435,528	3,018,500	1,999,115	5,017,615	33,781,198
September 4 -	18,207,000	4,174,873	2,955,701	7,130,574	25,337,574	3,577,411	3,034,100	2,033,747	5,067,847	33,982,832
11 -	17,841,000	4,191,992	2,985,520	7,177,512	25,018,512	3,512,153	3,038,000	2,045,825	5,083,825	33,614,490
18 -	17,932,000	4,204,928	3,029,736	7,234,664	25,166,664	3,512,470	3,068,500	2,112,789	5,181,289	33,860,423
25 -	18,079,000	4,269,708	3,072,747	7,342,455	25,421,455	3,515,286	3,108,400	2,176,041	5,284,441	34,221,182
October 2 -	18,712,000	4,402,217	3,155,873	7,558,090	26,270,090	3,586,043	3,204,800	2,238,263	5,443,063	35,299,196
9 -	18,640,000	4,464,909	3,170,830	7,635,739	26,275,739	3,626,135	3,227,100	2,286,571	5,513,671	35,415,545
16 -	19,359,000	4,521,545	3,222,090	7,743,635	27,102,635	3,653,565	3,299,700	2,315,469	5,615,169	36,371,369
23 -	20,318,000	4,412,030	3,178,560	7,590,590	27,908,590	3,539,622	3,284,200	2,282,249	5,566,449	37,014,661
30 -	20,833,000	4,235,947	3,054,470	7,290,417	28,123,417	3,553,989	3,250,500	2,224,704	5,475,204	37,152,610
November 6 -	20,396,000	4,039,039	2,880,659	6,919,698	27,315,698	3,699,719	3,263,000	2,157,445	5,420,445	36,435,862
13 -	20,051,000	3,847,838	2,729,615	6,577,453	26,628,453	3,783,904	3,214,500	2,128,918	5,343,418	35,755,775
20 -	19,298,000	3,715,826	2,594,668	6,310,494	25,608,494	3,727,792	3,183,200	2,145,511	5,328,711	34,664,997
27 -	18,970,000	3,635,411	2,527,309	6,162,720	25,132,720	3,713,968	3,134,100	2,163,096	5,297,196	34,143,884
December 4 -	18,783,000	3,571,333	2,455,189	6,026,522	24,809,522	3,704,302	3,169,800	2,151,845	5,321,645	33,835,469
11 -	18,321,000	3,524,692	2,408,811	5,933,503	24,254,503	3,545,253	3,120,200	2,132,016	5,252,216	33,051,972
18 -	17,758,000	3,506,770	2,396,411	5,903,181	23,661,181	3,378,073	3,089,600	2,105,037	5,194,637	32,233,891
25 -	17,823,000	3,524,360	2,417,528	5,941,888	23,764,888	3,180,609	3,062,100	2,124,166	5,186,266	32,131,763

1848:											
January	1	17,925,000	3,556,797	2,418,137	5,974,934	23,899,934	3,261,366	3,082,900	2,068,452	5,151,352	32,312,652
	8	18,561,000	3,688,880	2,490,433	6,179,313	24,740,313	3,296,217	3,140,300	2,108,137	5,248,437	33,284,967
	15	19,095,000	3,779,269	2,559,651	6,338,920	25,433,920	3,196,233	3,115,500	2,137,657	5,253,157	33,883,310
	22	19,112,000	3,778,475	2,559,480	6,337,955	25,449,955	3,086,817	3,080,100	2,141,953	5,222,053	33,758,825
	29	19,142,000	3,735,393	2,530,005	6,265,398	25,407,398	3,064,850	3,057,800	2,154,228	5,212,028	33,684,276
February	5	19,136,000	3,706,158	2,519,959	6,226,117	25,362,117	3,107,551	3,084,200	2,167,908	5,252,108	33,721,776
	12	18,519,000	3,663,795	2,517,129	6,180,924	24,699,924	3,081,376	3,100,200	2,171,674	5,271,874	33,053,174
	19	18,085,000	3,617,940	2,516,537	6,134,477	24,219,477	2,981,157	3,065,900	2,135,132	5,201,032	32,401,666
	26	18,180,000	3,564,470	2,494,610	6,059,080	24,239,080	2,948,222	3,027,700	2,127,617	5,155,317	32,342,619
March	4	18,376,000	3,567,063	2,525,645	6,092,708	24,468,708	3,100,982	3,043,000	2,147,810	5,190,810	32,760,500
	11	17,691,000	3,589,353	2,567,049	6,156,402	23,847,402	2,937,241	2,999,500	2,117,522	5,117,022	31,901,665
	18	17,447,000	3,599,661	2,576,344	6,176,005	23,623,005	2,903,296	2,968,700	2,102,923	5,071,623	31,597,924
	25	17,603,000	3,648,323	2,620,268	6,268,591	23,871,591	2,866,254	2,952,300	2,097,835	5,050,135	31,787,980
April	1	17,668,000	3,745,566	2,685,825	6,431,391	24,099,391	2,912,712	2,984,300	2,075,206	5,059,506	32,071,609
	8	18,241,000	3,862,096	2,766,333	6,628,429	24,869,429	2,910,737	3,008,400	2,061,303	5,069,703	32,849,869
	15	18,597,000	3,900,020	2,791,458	6,691,478	25,288,478	2,934,500	2,988,600	2,000,738	4,989,338	33,212,316
	22	18,762,000	3,905,452	2,813,224	6,718,676	25,480,676	2,978,760	2,972,300	1,945,293	4,917,593	33,377,029
	29	18,603,000	3,919,799	2,834,808	6,754,607	25,357,607	2,957,409	2,988,200	1,897,592	4,885,792	33,200,808
May	6	18,622,000	3,879,691	2,814,958	6,694,649	25,316,649	3,093,715	2,998,800	1,875,578	4,874,378	33,284,742
	13	18,327,000	3,830,701	2,764,604	6,595,305	24,922,305	3,209,451	2,960,300	1,869,347	4,829,647	32,961,403
	20	18,095,000	3,756,555	2,717,061	6,473,616	24,568,616	3,348,730	2,940,000	1,832,875	4,772,875	32,690,221
	27	17,802,000	3,674,203	2,636,778	6,310,981	24,112,981	3,577,350	2,888,000	1,813,510	4,701,510	32,391,841
June	3	17,779,000	3,632,651	2,582,841	6,215,492	23,994,492	3,492,853	2,908,800	1,818,227	4,727,027	32,214,372
	10	17,627,000	3,623,673	2,590,116	6,213,789	23,840,789	3,379,925	2,854,700	1,799,220	4,653,920	31,874,634
	17	17,377,000	3,583,760	2,584,786	6,168,546	23,545,546	3,300,248	2,803,700	1,759,240	4,562,940	31,408,734
	24	17,529,000	3,562,045	2,550,931	6,112,976	23,641,976	3,132,919	2,743,700	1,732,096	4,475,796	31,250,691
July	1	17,581,000	3,560,329	2,515,173	6,075,502	23,656,502	3,140,177	2,772,400	1,706,414	4,478,814	31,275,493
	8	18,361,000	3,603,078	2,521,007	6,124,085	24,485,085	3,110,299	2,794,300	1,706,109	4,500,409	32,095,793
	15	19,145,000	3,563,549	2,512,898	6,076,447	25,221,447	3,043,206	2,754,100	1,708,586	4,462,686	32,727,339
	22	19,041,000	3,552,684	2,503,456	6,056,140	25,097,140	2,986,665	2,681,300	1,677,771	4,359,071	32,442,876
	29	18,944,000	3,512,019	2,468,992	5,981,011	24,925,011	3,010,009	2,632,500	1,671,057	4,303,557	32,238,577
August	5	18,692,000	3,516,133	2,460,877	5,977,010	24,669,010	3,077,699	2,627,000	1,671,049	4,298,049	32,044,758
	12	18,166,000	3,503,086	2,466,733	5,969,819	24,135,819	3,069,264	2,615,200	1,677,348	4,292,548	31,497,631
	19	18,313,000	3,472,400	2,456,840	5,929,240	24,242,240	3,053,759	2,582,200	1,675,345	4,257,545	31,553,544
	26	18,119,000	3,463,839	2,455,664	5,919,503	24,038,503	2,964,481	2,560,100	1,672,092	4,232,192	31,235,176
September	2	18,099,000	3,478,825	2,465,555	5,944,380	24,043,380	3,007,420	2,601,100	1,693,595	4,294,695	31,345,495
	9	17,845,000	3,516,213	2,508,801	6,025,014	23,870,014	3,059,587	2,591,900	1,692,205	4,284,105	31,213,706
	16	17,687,000	3,564,269	2,570,644	6,134,913	23,821,913	3,066,994	2,586,200	1,735,467	4,321,667	31,210,574
	23	17,311,000	3,620,108	2,631,476	6,251,584	23,562,584	3,095,099	2,626,400	1,753,512	4,379,912	31,037,595
	30	17,549,000	3,709,256	2,697,269	6,406,525	23,955,525	3,136,427	2,705,800	1,847,101	4,552,901	31,644,853

(*continued*)

AN ACCOUNT of the Aggregate Weekly Circulation of Bank Notes in the United Kingdom, &c.—*continued.*

WEEK ENDING	ENGLAND.					SCOTLAND.	IRELAND.			TOTAL Circulation in the United Kingdom.
	Bank of England Notes in the hands of the Public.	Private Banks.	Joint Stock Banks.	TOTAL of English Country Issues.	TOTAL Circulation in England.	Chartered Private and Joint Stock Banks.	Bank of Ireland.	Other Banks.	TOTAL in Ireland.	
1848:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
October 7 -	17,475,000	3,832,935	2,765,610	6,598,545	24,073,545	3,247,570	2,799,800	1,971,411	4,771,211	32,092,326
14 -	18,334,000	3,938,548	2,854,741	6,793,289	25,127,289	3,244,156	2,876,400	2,069,565	4,945,965	33,317,410
21 -	18,560,000	3,947,191	2,880,826	6,828,017	25,388,017	3,276,914	2,911,900	2,106,235	5,018,135	33,683,066
28 -	18,590,000	3,918,136	2,859,008	6,777,144	25,367,144	3,259,303	2,900,800	2,134,841	5,035,641	33,662,088
November 4 -	18,554,000	3,870,617	2,820,477	6,691,094	25,245,094	3,444,752	2,942,600	2,164,534	5,107,134	33,796,980
11 -	18,066,000	3,823,132	2,796,779	6,619,911	24,685,911	3,556,533	2,911,200	2,140,404	5,051,604	33,294,048
18 -	17,843,000	3,732,428	2,756,764	6,489,192	24,332,192	3,539,493	2,855,600	2,127,829	4,983,429	32,855,114
25 -	17,400,000	3,657,522	2,705,369	6,362,891	23,762,891	3,592,227	2,808,300	2,110,284	4,918,584	32,273,702
December 2 -	17,328,000	3,601,817	2,649,747	6,251,564	23,579,564	3,592,270	2,831,900	2,090,690	4,922,590	32,094,424
9 -	16,962,000	3,548,110	2,605,469	6,153,579	23,115,579	3,415,434	2,805,300	2,077,052	4,882,352	31,413,365
16 -	16,736,000	3,499,216	2,574,815	6,074,031	22,810,031	3,247,152	2,760,200	2,055,399	4,815,599	30,872,782
23 -	16,875,000	3,488,440	2,559,675	6,048,115	22,923,115	3,201,785	2,729,500	2,020,550	4,750,050	30,874,950
30 -	17,130,000	3,492,858	2,529,331	6,022,189	23,152,189	3,242,972	2,706,900	1,955,642	4,662,542	31,057,703
1849:										
January 6 -	17,250,000	3,575,213	2,566,525	6,141,738	23,391,738	3,133,404	2,741,100	1,979,518	4,720,618	31,245,760
13 -	18,274,000	3,675,215	2,647,583	6,322,798	24,596,798	3,043,895	2,740,800	1,972,022	4,712,822	32,353,515
20 -	18,628,000	3,688,393	2,650,981	6,339,374	24,967,374	2,997,174	2,713,100	1,951,636	4,664,736	32,629,284
27 -	18,678,000	3,668,403	2,622,212	6,290,615	24,968,615	2,957,033	2,675,100	1,925,681	4,600,781	32,526,429
February 3 -	18,777,000	3,633,653	2,609,418	6,243,071	25,020,071	3,092,967	2,730,400	1,930,102	4,660,502	32,773,540
10 -	18,338,000	3,601,857	2,590,505	6,192,362	24,530,362	2,958,312	2,682,100	1,899,959	4,582,059	32,070,733
17 -	18,288,000	3,544,774	2,597,571	6,142,345	24,430,345	2,906,374	2,647,400	1,873,371	4,520,771	31,857,490
24 -	18,132,000	3,488,957	2,567,068	6,056,025	24,188,025	2,851,077	2,633,600	1,843,396	4,476,996	31,516,098
March - 3 -	18,372,000	3,460,397	2,564,383	6,024,780	24,396,780	3,086,488	2,679,100	1,835,369	4,514,469	31,997,737
10 -	17,902,000	3,461,956	2,584,198	6,046,154	23,948,154	2,922,715	2,611,800	1,802,395	4,414,195	31,285,064
17 -	17,699,000	3,459,513	2,591,739	6,051,252	23,750,252	2,890,907	2,570,100	1,791,735	4,361,835	31,002,994
24 -	17,629,000	3,486,478	2,623,186	6,109,664	23,738,664	2,840,401	2,533,600	1,782,908	4,316,508	30,895,573
31 -	17,946,000	3,572,110	2,691,827	6,263,937	24,209,937	2,880,509	2,543,800	1,767,165	4,310,965	31,401,411
April - 7 -	18,282,000	3,684,192	2,787,545	6,471,737	24,753,737	2,966,374	2,607,100	1,821,409	4,428,509	32,148,620
14 -	19,053,000	3,744,144	2,873,292	6,617,436	25,670,436	2,894,595	2,637,000	1,785,298	4,422,298	32,987,329

	21 -	19,078,000	3,746,309	2,840,609	6,586,918	25,664,918	2,890,208	2,628,700	1,716,819	4,345,519	32,900,645
	28 -	19,069,000	3,749,910	2,835,148	6,585,058	25,654,058	2,924,457	2,626,100	1,694,486	4,320,586	32,899,101
May -	5 -	19,214,000	3,731,503	2,841,498	6,573,001	25,787,001	3,022,097	2,655,300	1,697,696	4,352,996	33,162,094
	12 -	18,956,000	3,699,946	2,814,433	6,514,379	25,470,379	3,100,686	2,610,400	1,680,804	4,291,204	32,862,269
	19 -	18,715,000	3,657,830	2,791,008	6,448,838	25,163,838	3,469,546	2,550,200	1,636,578	4,186,778	32,820,162
	26 -	18,469,000	3,584,336	2,713,244	6,297,580	24,766,580	3,481,451	2,499,800	1,606,494	4,106,294	32,354,325
June -	2 -	18,361,000	3,563,058	2,674,479	6,237,537	24,598,537	3,454,399	2,519,000	1,568,897	4,087,897	32,140,833
	9 -	18,122,000	3,536,104	2,647,295	6,183,399	24,305,399	3,328,618	2,491,400	1,563,069	4,054,469	31,688,486
	16 -	17,971,000	3,478,209	2,610,198	6,088,407	24,059,407	3,259,169	2,416,900	1,520,347	3,937,247	31,255,823
	23 -	17,867,000	3,451,751	2,580,005	6,031,756	23,898,756	3,131,320	2,397,000	1,497,808	3,894,808	30,924,884
	30 -	17,934,000	3,460,490	2,570,503	6,030,993	23,964,993	3,125,108	2,433,500	1,488,251	3,921,751	31,011,852
July -	7 -	18,221,000	3,497,833	2,583,989	6,081,822	24,302,822	3,114,856	2,448,200	1,495,904	3,944,104	31,361,782
	14 -	19,453,000	3,509,876	2,610,169	6,120,045	25,573,045	3,075,633	2,399,600	1,490,069	3,889,669	32,538,347
	21 -	19,723,000	3,497,024	2,582,269	6,079,293	25,802,293	2,974,414	2,352,700	1,473,342	3,826,042	32,602,749
	28 -	19,497,000	3,473,517	2,544,873	6,018,390	25,515,390	3,031,607	2,320,700	1,470,179	3,790,879	32,337,876
August -	4 -	19,243,000	3,443,441	2,512,907	5,956,348	25,199,348	3,213,176	2,358,400	1,513,027	3,871,427	32,283,951
	11 -	18,746,000	3,390,498	2,485,206	5,875,704	24,621,704	3,084,711	2,331,600	1,512,348	3,843,948	31,550,363
	18 -	18,880,000	3,346,612	2,476,513	5,823,125	24,703,125	3,072,525	2,308,700	1,484,399	3,793,099	31,568,749
	25 -	18,451,000	3,324,270	2,448,580	5,772,850	24,223,850	3,021,635	2,269,700	1,487,187	3,756,887	31,002,372
September	1 -	18,449,000	3,310,382	2,446,175	5,756,557	24,205,557	3,037,125	2,322,800	1,498,224	3,821,024	31,063,706
	8 -	18,066,000	3,329,812	2,458,867	5,788,679	23,854,679	3,082,024	2,333,100	1,541,674	3,874,774	30,811,477
	15 -	17,665,000	3,336,225	2,482,844	5,819,069	23,484,069	3,071,219	2,339,100	1,578,461	3,917,561	30,472,849
	22 -	17,433,000	3,381,882	2,527,171	5,909,053	23,342,053	3,094,936	2,375,000	1,646,175	4,021,175	30,458,164
	29 -	18,131,000	3,487,133	2,599,372	6,086,503	24,217,503	3,148,295	2,456,900	1,724,456	4,181,356	31,547,154
October	6 -	18,030,000	3,641,488	2,698,516	6,340,004	24,370,004	3,240,046	2,540,000	1,875,630	4,415,630	32,025,680
	13 -	18,583,000	3,809,768	2,788,041	6,597,809	25,180,809	3,260,660	2,676,600	1,970,264	4,646,864	33,088,333
	20 -	19,048,000	3,857,609	2,811,291	6,668,900	25,716,900	3,268,766	2,678,300	2,003,905	4,682,205	33,667,871
	27 -	18,951,000	3,836,048	2,783,808	6,619,856	25,570,856	3,205,663	2,652,800	2,032,708	4,685,508	33,462,027
November	3 -	18,881,000	3,789,895	2,739,589	6,529,484	25,410,484	3,391,776	2,704,600	2,025,886	4,730,486	33,532,746
	10 -	18,416,000	3,741,577	2,734,794	6,476,371	24,892,371	3,425,788	2,692,700	2,026,567	4,719,267	33,037,426
	17 -	18,182,000	3,700,133	2,728,422	6,428,555	24,610,555	3,528,751	2,666,800	2,015,247	4,682,047	32,821,353
	24 -	17,999,000	3,669,157	2,694,587	6,363,744	24,362,744	3,560,859	2,611,700	2,006,108	4,617,808	32,541,411
December	1 -	18,027,000	3,603,442	2,656,008	6,259,450	24,286,450	3,485,367	2,653,700	2,023,709	4,677,409	32,449,226
	8 -	17,922,000	3,557,928	2,617,558	6,175,486	24,097,486	3,369,688	2,630,700	2,031,465	4,662,165	32,129,339
	15 -	17,953,000	3,525,704	2,598,130	6,123,834	24,076,834	3,256,341	2,631,400	2,023,140	4,654,540	31,987,715
	22 -	17,803,000	3,513,594	2,600,802	6,114,396	23,917,396	3,173,495	2,630,100	2,016,300	4,646,400	31,737,291
	29 -	18,227,000	3,423,458	2,588,045	6,011,503	24,238,503	3,170,294	2,613,400	1,961,519	4,574,919	31,983,716

(*continued*)

AN ACCOUNT of the Aggregate Weekly Circulation of Bank Notes in the United Kingdom, &c.—*continued.*

WEEK ENDING	ENGLAND.					SCOTLAND.	IRELAND.			TOTAL Circulation in the United Kingdom.
	Bank of England Notes in the hands of the Public.	Private Banks.	Joint Stock Banks.	TOTAL of English Country Issues.	TOTAL Circulation in England.	Chartered Private and Joint Stock Banks.	Bank of Ireland.	Other Banks.	TOTAL in Ireland.	
1850:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
January 5 -	18,256,000	3,605,548	2,618,299	6,223,847	24,479,847	3,193,687	2,679,500	1,981,943	4,661,443	32,334,977
12 -	19,085,000	3,714,541	2,717,343	6,431,884	25,516,884	3,143,356	2,694,000	1,985,855	4,679,855	33,340,095
19 -	19,333,000	3,708,340	2,704,832	6,413,172	25,746,172	3,070,655	2,694,300	1,974,632	4,668,932	33,485,759
26 -	19,706,000	3,712,767	2,681,364	6,394,131	26,100,131	3,043,758	2,695,400	1,973,692	4,669,092	33,812,981
February 2 -	19,625,000	3,670,852	2,661,089	6,331,941	25,956,941	3,135,683	2,719,500	1,973,568	4,693,068	33,785,692
9 -	19,421,000	3,610,925	2,663,449	6,274,374	25,695,374	3,076,417	2,695,000	1,970,877	4,665,877	33,437,668
16 -	19,186,000	3,563,496	2,667,513	6,231,009	25,417,009	3,036,903	2,661,200	1,953,679	4,614,879	33,068,791
23 -	18,889,000	3,543,251	2,639,855	6,183,106	25,072,106	2,968,867	2,641,800	1,927,348	4,569,148	32,610,121
March - 2 -	19,008,000	3,517,075	2,644,546	6,161,621	25,169,621	3,080,050	2,679,000	1,912,113	4,591,113	32,840,784
9 -	18,828,000	3,511,355	2,665,344	6,176,699	25,004,699	3,015,252	2,599,500	1,900,399	4,499,899	32,519,850
16 -	19,009,000	3,515,379	2,691,571	6,206,950	25,215,950	2,935,142	2,581,700	1,883,262	4,464,962	32,616,054
23 -	18,619,000	3,522,831	2,705,745	6,228,576	24,847,576	2,944,064	2,545,800	1,859,528	4,405,328	32,196,968
30 -	19,452,000	3,591,409	2,773,422	6,364,831	25,816,831	2,995,238	2,582,000	1,860,972	4,442,972	33,255,041
April - 6 -	19,374,000	3,700,825	2,850,293	6,551,118	25,925,118	3,019,421	2,613,700	1,898,766	4,512,466	33,457,005
13 -	20,048,000	3,757,209	2,813,568	6,570,777	26,618,777	3,025,540	2,645,400	1,858,935	4,504,335	34,148,652
20 -	20,335,000	3,754,672	2,883,213	6,637,885	26,972,885	3,017,924	2,664,600	1,830,774	4,495,374	34,486,183
27 -	20,296,000	3,769,432	2,913,532	6,682,964	26,978,964	2,999,710	2,647,300	1,806,939	4,454,239	34,432,913
May - 4 -	20,107,000	3,752,783	2,920,668	6,673,451	26,780,451	3,169,108	2,719,300	1,833,906	4,553,206	34,502,765
11 -	19,901,000	3,730,422	2,898,502	6,628,924	26,529,924	3,198,712	2,670,000	1,814,590	4,484,590	34,213,226
18 -	19,469,000	3,694,617	2,853,978	6,548,595	26,017,595	3,411,333	2,617,200	1,766,116	4,383,316	33,812,244
25 -	19,043,000	3,621,034	2,811,783	6,432,817	25,475,817	3,567,236	2,551,700	1,739,661	4,291,361	33,334,414
June - 1 -	19,215,000	3,562,881	2,753,649	6,316,530	25,531,530	3,536,076	2,554,400	1,717,438	4,271,838	33,339,444
8 -	19,165,000	3,531,859	2,712,822	6,244,681	25,409,681	3,414,722	2,528,500	1,709,962	4,238,462	33,062,865
15 -	19,460,000	3,495,564	2,702,654	6,198,218	25,658,218	3,368,095	2,485,900	1,679,693	4,165,593	33,191,906
22 -	18,853,000	3,489,452	2,716,168	6,205,620	25,058,620	3,235,707	2,482,800	1,644,343	4,127,143	32,421,470
29 -	19,301,000	3,512,101	2,705,470	6,217,571	25,518,571	3,223,312	2,479,700	1,622,708	4,102,408	32,844,291
July - 6 -	19,457,000	3,537,695	2,712,351	6,250,046	25,707,046	3,207,385	2,527,000	1,667,297	4,194,297	33,108,728
13 -	20,274,000	3,567,611	2,739,950	6,307,561	26,581,561	3,287,709	2,517,200	1,638,236	4,155,436	34,024,706
20 -	20,568,000	3,548,931	2,716,622	6,265,553	26,833,553	3,099,806	2,438,100	1,618,267	4,056,367	33,989,726
27 -	20,761,000	3,517,684	2,685,231	6,202,915	26,963,915	3,090,493	2,421,500	1,613,392	4,034,892	34,089,300

August	3	-	20,714,000	3,485,804	2,652,624	6,138,428	26,852,428	3,326,633	2,461,700	1,656,211	4,117,911	34,296,972
	10	-	20,149,000	3,445,891	2,635,653	6,081,544	26,230,544	3,173,719	2,443,200	1,660,656	4,103,856	33,508,119
	17	-	19,827,000	3,421,680	2,621,886	6,043,566	25,870,566	3,171,995	2,419,400	1,673,750	4,093,150	33,135,711
	24	-	19,620,000	3,400,824	2,599,473	6,000,297	25,620,297	3,117,122	2,409,100	1,656,959	4,106,059	32,843,478
	31	-	19,683,000	3,403,277	2,604,978	6,008,255	25,691,255	3,171,364	2,448,400	1,712,933	4,161,333	33,023,952
September	7	-	19,482,000	3,422,284	2,619,695	6,041,979	25,523,979	3,234,678	2,477,900	1,777,482	4,255,382	33,014,039
	14	-	19,242,000	3,430,775	2,635,508	6,066,283	25,308,283	3,207,229	2,477,800	1,820,261	4,298,061	32,813,573
	21	-	18,862,000	3,450,421	2,683,495	6,133,916	24,995,916	3,202,274	2,500,100	1,897,340	4,397,440	32,595,630
	28	-	19,033,000	3,531,140	2,731,980	6,263,120	25,296,120	3,253,464	2,554,900	1,983,209	4,538,109	33,087,693
October	5	-	19,304,000	3,666,828	2,809,728	6,476,556	25,780,556	3,307,433	2,652,300	2,091,935	4,744,235	33,832,224
	12	-	19,467,000	3,769,790	2,906,480	6,676,270	26,143,270	3,313,396	2,708,300	2,195,395	4,903,695	34,360,361
	19	-	20,140,000	3,817,160	2,936,527	6,753,687	26,893,687	3,305,989	2,744,500	2,249,428	4,993,928	35,193,604
	26	-	19,820,000	3,797,760	2,897,066	6,694,826	26,514,826	3,279,885	2,738,700	2,292,265	5,030,965	34,825,676
November	2	-	19,722,000	3,752,416	2,837,023	6,589,439	26,311,439	3,375,209	2,770,900	2,277,746	5,048,646	34,735,294
	9	-	19,264,000	3,700,423	2,829,117	6,529,540	25,793,540	3,524,871	2,750,200	2,267,636	5,017,836	34,336,247
	16	-	19,102,000	3,630,943	2,810,372	6,441,315	25,543,315	3,590,660	2,680,200	2,241,467	4,921,667	34,055,642
	23	-	18,602,000	3,580,364	2,769,223	6,349,587	24,951,587	3,694,659	2,672,800	2,225,897	4,898,697	33,544,943
	30	-	18,607,000	3,531,380	2,747,622	6,279,002	24,886,002	3,566,815	2,689,800	2,246,683	4,936,483	33,389,300
December	7	-	18,707,000	3,482,926	2,705,311	6,188,237	24,895,237	3,533,688	2,698,600	2,255,770	4,954,370	33,383,295
	14	-	18,280,000	3,459,015	2,682,947	6,141,962	24,421,962	3,350,682	2,659,700	2,238,922	4,898,622	32,671,266
	21	-	18,496,000	3,424,869	2,676,185	6,101,054	24,597,054	3,241,689	2,627,400	2,206,361	4,833,761	32,672,504
	28	-	18,574,000	3,437,748	2,676,758	6,114,506	24,688,506	3,256,559	2,604,700	2,136,393	4,741,093	32,686,158
1851:												
January	4	-	19,037,000	3,492,373	2,665,456	6,157,829	25,194,829	3,410,478	2,645,800	2,147,857	4,793,657	33,398,964
	11	-	19,878,000	3,605,613	2,754,457	6,360,070	26,238,070	3,277,881	2,664,900	2,148,132	4,813,032	34,328,983
	18	-	19,947,000	3,610,795	2,769,816	6,380,611	26,327,611	3,174,637	2,645,100	2,126,130	4,771,230	34,273,478
	25	-	19,492,000	3,584,511	2,724,790	6,309,301	25,801,301	3,146,970	2,628,800	2,123,889	4,752,689	33,700,960
February	1	-	19,630,000	3,536,493	2,689,556	6,226,049	25,856,049	3,179,389	2,664,100	2,127,063	4,791,163	33,826,601
	8	-	19,175,000	3,499,620	2,694,191	6,193,811	25,368,811	3,199,345	2,646,500	2,134,503	4,781,003	33,349,159
	15	-	18,910,000	3,460,444	2,701,352	6,161,796	25,071,796	3,103,162	2,620,300	2,108,693	4,728,993	32,903,951
	22	-	18,713,000	3,399,237	2,671,319	6,070,556	24,783,556	3,071,023	2,581,100	2,081,949	4,663,049	32,517,628
March	1	-	19,236,000	3,379,337	2,663,939	6,043,276	25,279,276	3,062,884	2,618,100	2,077,911	4,696,011	33,038,171
	8	-	18,994,000	3,394,476	2,679,503	6,073,979	25,067,979	3,040,186	2,596,400	2,053,779	4,650,179	32,758,344
	15	-	18,755,000	3,383,470	2,692,800	6,076,270	24,831,270	3,002,447	2,563,400	2,034,332	4,597,732	32,431,449
	22	-	18,494,000	3,390,618	2,706,781	6,097,399	24,591,399	3,027,444	2,519,200	2,020,538	4,539,738	32,158,581
	29	-	18,962,000	3,467,874	2,785,884	6,253,758	25,215,758	3,001,115	2,502,200	2,002,614	4,504,814	32,721,687
April	5	-	19,065,000	3,569,788	2,864,803	6,434,591	25,499,591	3,120,931	2,556,500	2,031,692	4,588,192	33,208,714
	12	-	19,946,000	3,655,494	2,938,488	6,593,982	26,539,982	3,087,326	2,590,000	1,993,912	4,583,912	34,211,220
	19	-	19,846,000	3,671,983	2,934,397	6,606,380	26,452,380	3,120,303	2,609,800	1,970,802	4,580,602	34,153,285
	26	-	19,869,000	3,720,703	2,976,297	6,697,000	26,566,000	3,078,999	2,583,500	1,932,419	4,515,919	34,160,918

(*continued*)

AN ACCOUNT of the Aggregate Weekly Circulation of Bank Notes in the United Kingdom, &c.—*continued.*

WEEK ENDING	ENGLAND.					SCOTLAND.	IRELAND.			TOTAL Circulation in the United Kingdom.
	Bank of England Notes in the hands of the Public.	Private Banks.	Joint Stock Banks.	TOTAL of English Country Issues.	TOTAL Circulation in England.	Chartered Private and Joint Stock Banks.	Bank of Ireland.	Other Banks.	TOTAL in Ireland.	
1851:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
May - 3 -	19,685,000	3,701,448	2,966,175	6,667,623	26,352,623	3,205,032	2,656,100	1,949,286	4,605,386	34,163,041
10 -	19,453,000	3,691,283	2,957,398	6,648,681	26,101,681	3,243,702	2,612,700	1,933,361	4,546,061	33,891,444
17 -	19,126,000	3,660,431	2,932,774	6,593,205	25,719,205	3,490,174	2,564,600	1,883,931	4,448,531	33,657,910
24 -	19,027,000	3,584,460	2,862,438	6,446,898	25,473,898	3,501,666	2,520,900	1,860,890	4,381,790	33,357,354
31 -	19,398,000	3,508,293	2,801,746	6,310,039	25,708,039	3,537,107	2,447,000	1,833,312	4,280,312	33,525,458
June - 7 -	19,008,000	3,489,969	2,785,602	6,275,571	25,283,571	3,449,245	2,457,900	1,786,225	4,244,125	32,976,941
14 -	18,881,000	3,472,393	2,771,358	6,243,751	25,124,751	3,408,684	2,417,800	1,751,656	4,169,456	32,702,891
21 -	18,915,000	3,444,344	2,745,200	6,189,544	25,104,544	3,288,300	2,378,300	1,722,906	4,101,206	32,494,050
28 -	19,256,000	3,445,365	2,728,811	6,174,176	25,430,176	3,194,372	2,326,900	1,679,588	4,006,488	32,631,036
July - 5 -	19,545,000	3,432,576	2,720,140	6,152,716	25,697,716	3,214,767	2,374,000	1,695,462	4,069,462	32,981,945
12 -	20,191,000	3,450,464	2,730,025	6,180,489	26,371,489	3,164,341	2,379,000	1,668,947	4,047,947	33,583,777
19 -	20,634,000	3,412,121	2,719,071	6,131,192	26,765,192	3,220,988	2,322,600	1,648,417	3,971,017	33,957,197
26 -	20,516,000	3,373,523	2,679,899	6,053,422	26,569,422	3,056,927	2,289,200	1,663,917	3,953,117	33,579,466
August 2 -	20,346,000	3,319,961	2,619,352	5,939,313	26,285,313	3,178,941	2,311,000	1,676,275	3,987,275	33,451,529
9 -	20,151,000	3,284,434	2,592,239	5,876,673	26,027,673	3,164,766	2,301,200	1,701,140	4,002,340	33,194,779
16 -	20,131,000	3,248,098	2,593,651	5,841,749	25,972,749	3,196,057	2,274,200	1,692,254	3,966,454	33,135,260
23 -	19,745,000	3,216,174	2,567,329	5,783,503	25,528,503	3,075,352	2,237,800	1,703,895	3,941,695	32,545,550
30 -	19,716,000	3,201,291	2,553,955	5,755,246	25,471,246	3,098,291	2,225,800	1,708,144	3,933,944	32,503,481
September 6 -	19,363,000	3,211,572	2,564,759	5,776,331	25,139,331	3,133,087	2,271,600	1,775,351	4,046,951	32,319,369
13 -	19,111,000	3,228,574	2,608,857	5,837,431	24,948,431	3,111,250	2,275,200	1,796,104	4,071,304	32,130,985
20 -	18,952,000	3,263,050	2,643,214	5,906,264	24,858,264	3,106,033	2,285,200	1,856,664	4,141,864	32,106,161
27 -	19,178,000	3,341,872	2,702,250	6,044,122	25,222,122	3,142,505	2,294,400	1,918,810	4,213,210	32,577,837
October 4 -	19,458,000	3,463,804	2,784,814	6,248,618	25,706,618	3,304,249	2,411,900	2,025,354	4,437,254	33,448,121
11 -	19,572,000	3,570,806	2,866,772	6,437,578	26,009,578	3,264,310	2,448,200	2,103,697	4,551,897	33,825,785
18 -	20,676,000	3,636,415	2,903,800	6,540,215	27,216,215	3,309,829	2,508,400	2,183,846	4,692,246	35,218,290
25 -	20,698,000	3,622,095	2,865,094	6,487,189	27,185,189	3,309,474	2,518,200	2,236,608	4,754,808	35,249,471
November 1 -	20,469,000	3,591,964	2,806,859	6,398,823	26,867,823	3,370,135	2,575,300	2,277,306	4,852,606	35,090,564
8 -	20,121,000	3,572,623	2,812,939	6,385,562	26,506,562	3,471,389	2,579,500	2,296,223	4,875,723	34,853,674
15 -	19,586,000	3,517,663	2,801,689	6,319,352	25,905,352	3,643,564	2,592,400	2,318,296	4,910,696	34,459,612
22 -	19,355,000	3,475,284	2,778,207	6,253,491	25,608,491	3,659,750	2,514,000	2,311,696	4,825,696	34,093,937
29 -	19,223,000	3,433,267	2,740,974	6,174,241	25,397,241	3,587,154	2,475,300	2,306,215	4,781,515	33,765,910

December	6	18,855,000	3,406,201	2,697,102	6,103,303	24,958,303	3,524,016	2,524,300	2,311,196	4,835,496	33,317,815
	13	18,889,000	3,386,227	2,681,895	6,068,122	24,957,122	3,391,174	2,481,100	2,277,519	4,758,619	33,106,915
	20	18,676,000	3,352,251	2,673,239	6,025,490	24,701,490	3,286,185	2,463,700	2,257,241	4,720,941	32,708,616
	27	18,720,000	3,339,746	2,661,513	6,001,259	24,721,259	3,226,542	2,411,800	2,180,226	4,592,026	32,539,827
1852:											
January	3	19,285,000	3,398,919	2,657,601	6,056,520	25,341,520	3,419,002	2,469,900	2,194,192	4,664,092	33,424,614
	10	20,241,000	3,513,606	2,759,818	6,273,424	26,514,424	3,319,635	2,511,100	2,203,369	4,714,469	34,548,528
	17	21,038,000	3,541,201	2,789,664	6,330,865	27,368,865	3,248,122	2,501,800	2,203,853	4,705,653	35,322,640
	24	20,640,000	3,523,969	2,766,333	6,290,302	26,930,302	3,147,268	2,455,800	2,181,822	4,637,622	34,715,192
	31	20,739,000	3,495,748	2,728,724	6,224,472	26,963,472	3,246,063	2,475,300	2,191,678	4,666,978	34,876,513
February	7	20,348,000	3,460,084	2,727,308	6,187,392	26,535,392	3,232,068	2,500,100	2,205,896	4,705,996	34,473,456
	14	20,708,000	3,432,304	2,723,067	6,155,371	26,863,371	3,161,494	2,475,700	2,166,283	4,641,983	34,666,848
	21	20,187,000	3,382,777	2,716,135	6,098,912	26,285,912	3,075,819	2,443,100	2,258,578	4,601,678	33,963,409
	28	20,523,000	3,373,582	2,705,993	6,079,575	26,602,575	3,101,770	2,423,300	2,143,613	4,566,913	34,271,258
March	6	20,237,000	3,393,968	2,724,647	6,118,615	26,355,615	3,124,113	2,452,100	2,134,296	4,586,396	34,066,124
	13	20,235,000	3,414,668	2,741,034	6,155,702	26,390,702	3,056,762	2,431,200	2,131,155	4,562,355	34,009,819
	20	19,980,000	3,407,552	2,763,096	6,170,648	26,150,648	3,044,451	2,408,200	2,126,124	4,534,324	33,729,423
	27	20,150,000	3,462,894	2,821,794	6,284,688	26,434,688	3,010,393	2,386,000	2,103,339	4,489,339	33,934,420
April	3	20,687,000	3,546,780	2,878,089	6,424,819	27,111,819	3,185,275	2,433,800	2,128,454	4,562,254	34,859,348
	10	21,208,000	3,645,623	2,963,996	6,609,619	27,817,619	3,136,274	2,473,500	2,111,050	4,584,550	35,538,443
	17	22,056,000	3,662,858	2,973,891	6,636,749	28,692,749	3,115,953	2,511,700	2,063,600	4,575,300	36,384,002
	24	21,599,000	3,672,071	2,980,180	6,652,251	28,251,251	3,115,348	2,520,300	2,023,124	4,543,424	35,910,023
May	1	21,832,000	3,640,832	2,965,049	6,605,881	28,437,881	3,193,941	2,566,900	2,067,447	4,634,347	36,266,169
	8	21,845,000	3,642,112	2,964,857	6,606,969	28,451,969	3,254,621	2,589,000	2,064,517	4,653,517	36,360,107
	15	21,670,000	3,613,779	2,915,582	6,529,361	28,199,361	3,648,122	2,584,200	2,048,956	4,633,156	36,480,639
	22	21,304,000	3,559,711	2,901,727	6,461,438	27,765,438	3,598,159	2,534,100	2,030,378	4,564,478	35,928,075
	29	21,645,000	3,512,134	2,849,791	6,361,925	28,006,925	3,610,096	2,499,800	2,022,617	4,522,417	36,139,438
June	5	21,685,000	3,496,045	2,838,375	6,334,420	28,019,420	3,649,908	2,517,500	2,020,592	4,538,092	36,207,420
	12	21,285,000	3,451,613	2,812,360	6,263,973	27,548,973	3,463,059	2,491,100	2,001,873	4,492,973	35,505,005
	19	21,437,000	3,419,168	2,791,329	6,210,497	27,647,497	3,348,231	2,462,900	1,934,787	4,397,687	35,393,415
	26	21,343,000	3,424,239	2,794,489	6,218,728	27,561,728	3,277,228	2,442,300	1,911,389	4,353,689	35,192,645
July	3	22,241,000	3,449,936	2,800,834	6,250,770	28,491,770	3,421,356	2,514,200	1,915,639	4,429,839	36,342,965
	10	23,380,000	3,510,458	2,839,429	6,349,887	29,729,887	3,306,388	2,540,800	1,907,129	4,447,929	37,484,204
	17	23,748,000	3,504,355	2,856,520	6,360,875	30,108,875	3,367,535	2,517,800	1,874,327	4,392,127	37,868,537
	24	23,231,000	3,485,553	2,839,536	6,325,089	29,556,089	3,215,931	2,469,200	1,876,202	4,345,402	37,117,422
	31	23,479,000	3,460,408	2,799,188	6,259,596	29,738,596	3,310,563	2,479,500	1,885,408	4,364,908	37,414,067
August	7	23,040,000	3,456,534	2,759,088	6,215,622	29,255,622	3,336,994	2,537,500	1,945,893	4,483,393	37,076,009
	14	22,953,000	3,438,547	2,758,674	6,197,221	29,150,221	3,315,591	2,507,000	1,955,825	4,462,825	36,928,637
	21	22,760,000	3,396,003	2,754,108	6,150,111	28,910,111	3,269,529	2,489,000	1,988,084	4,477,084	36,656,724
	28	22,620,000	3,387,125	2,756,032	6,143,157	28,763,157	3,265,870	2,486,100	1,998,110	4,484,210	36,513,237

(*continued*)

AN ACCOUNT of the Aggregate Weekly Circulation of Bank Notes in the United Kingdom, &c.—*continued.*

WEEK ENDING	ENGLAND.					SCOTLAND.	IRELAND.			TOTAL Circulation in the United Kingdom.
	Bank of England Notes in the hands of the Public.	Private Banks.	Joint Stock Banks.	TOTAL of English Country Issues.	TOTAL Circulation in England.	Chartered Private and Joint Stock Banks.	Bank of Ireland.	Other Banks.	TOTAL in Ireland.	
1852:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
September 4 -	22,811,000	3,404,850	2,788,961	6,193,811	29,004,811	3,485,817	2,541,400	2,069,300	4,610,700	37,101,328
11 -	22,086,000	3,456,178	2,852,887	6,309,065	28,395,065	3,353,073	2,528,100	2,100,154	4,628,254	36,376,392
18 -	21,953,000	3,482,831	2,895,077	6,377,908	28,330,908	3,412,839	2,571,100	2,192,800	4,763,900	36,507,647
25 -	21,513,000	3,563,539	2,951,474	6,515,013	28,028,013	3,438,997	2,590,200	2,320,496	4,910,696	36,377,706
October - 2 -	22,244,000	3,700,137	3,019,590	6,719,727	28,963,727	3,567,364	2,742,400	2,457,580	5,199,980	37,731,071
9 -	22,252,000	3,827,081	3,105,824	6,932,905	29,184,905	3,593,743	2,770,300	2,606,771	5,377,071	38,155,719
16 -	23,660,000	3,904,471	3,159,353	7,063,824	30,723,824	3,563,662	2,843,000	2,707,642	5,550,642	39,838,128
23 -	23,160,000	3,894,691	3,077,673	6,972,364	30,132,364	3,675,616	2,853,200	2,756,388	5,609,588	39,417,568
30 -	23,813,000	3,867,609	2,980,764	6,848,373	30,661,373	3,649,758	2,857,100	2,791,500	5,648,600	39,959,731
November 6 -	23,351,000	3,850,756	2,993,999	6,844,755	30,195,755	3,791,225	2,874,200	2,783,287	5,657,487	39,644,467
13 -	23,202,000	3,813,627	3,006,909	6,820,536	30,022,536	3,973,466	2,850,700	2,771,705	5,622,405	39,618,407
20 -	22,671,000	3,756,727	2,983,962	6,740,689	29,411,689	3,976,981	2,829,900	2,768,242	5,598,142	38,986,812
27 -	22,703,000	3,698,617	2,937,948	6,636,565	29,339,565	3,873,869	2,817,200	2,797,385	5,614,585	38,828,019
December 4 -	22,723,000	3,670,310	2,911,237	6,581,547	29,304,547	3,945,138	2,878,900	2,834,994	5,713,894	38,963,579
11 -	22,556,000	3,647,619	2,910,803	6,558,422	29,114,422	3,766,042	2,857,300	2,830,250	5,687,550	38,568,014
18 -	22,236,000	3,642,551	2,918,270	6,560,821	28,796,821	3,666,344	2,853,700	2,820,670	5,674,370	38,137,535
25 -	22,226,000	3,631,611	2,916,002	6,547,613	28,773,613	3,678,760	2,840,800	2,825,157	5,665,957	38,118,330
1853:										
January 1 -	23,054,000	3,651,433	2,912,091	6,563,524	29,617,524	3,772,648	2,871,500	2,763,127	5,634,627	39,024,799
8 -	23,361,000	3,773,647	2,989,356	6,763,003	30,124,003	3,634,591	2,913,500	2,802,412	5,715,912	39,474,506
15 -	23,661,000	3,834,089	3,045,753	6,879,842	30,540,842	3,564,361	2,893,300	2,815,836	5,709,136	39,814,339
22 -	23,474,000	3,826,969	3,011,139	6,838,108	30,312,108	3,479,254	2,906,100	2,792,840	5,698,940	39,490,302
29 -	22,983,000	3,797,224	2,998,928	6,796,152	29,779,152	3,536,475	2,886,600	2,797,631	5,684,231	38,999,858
February 5 -	22,695,000	3,744,796	2,976,722	6,721,518	29,416,518	3,602,303	2,918,400	2,830,947	5,749,347	38,768,168
12 -	22,305,000	3,711,547	2,961,956	6,673,503	28,978,503	3,544,406	2,881,300	2,806,483	5,687,783	38,210,692
19 -	22,081,000	3,669,957	2,946,939	6,616,896	28,697,896	3,436,765	2,837,200	2,767,205	5,604,405	37,739,066
26 -	21,990,000	3,649,565	2,961,645	6,611,210	28,601,210	3,417,051	2,815,700	2,721,409	5,537,109	37,555,370
March - 5 -	22,276,000	3,654,226	2,977,228	6,631,454	28,907,454	3,454,012	2,829,000	2,719,303	5,548,303	37,909,769
12 -	21,713,000	3,683,870	3,013,493	6,697,363	28,410,363	3,460,282	2,793,900	2,707,554	5,501,454	37,372,099
19 -	21,465,000	3,698,501	3,022,179	6,720,680	28,185,680	3,444,254	2,780,600	2,714,717	5,495,317	37,125,251
26 -	21,794,000	3,770,455	3,098,520	6,868,975	28,662,975	3,422,060	2,790,100	2,750,447	5,540,547	37,625,582

April -	2 -	22,387,000	3,856,364	3,153,832	7,010,196	29,397,196	3,460,878	2,824,300	2,699,561	5,523,861	38,381,935
	9 -	22,977,000	3,919,219	3,167,999	7,087,218	30,064,218	3,516,188	2,832,000	2,683,456	5,515,456	39,095,862
	16 -	23,613,000	3,904,087	3,106,970	7,011,057	30,624,057	3,571,381	2,842,000	2,640,680	5,482,680	39,678,118
	23 -	23,408,000	3,924,566	3,130,370	7,054,936	30,462,936	3,521,619	2,844,300	2,613,486	5,457,786	39,442,341
	30 -	23,125,000	3,922,378	3,155,871	7,078,249	30,203,249	3,583,475	2,880,300	2,624,507	5,504,807	39,291,531
May -	7 -	23,470,000	3,902,185	3,142,516	7,044,701	30,514,701	3,670,989	2,900,900	2,669,089	5,569,989	39,755,679
	14 -	23,163,000	3,890,991	3,111,781	7,002,772	30,165,772	3,973,254	2,849,400	2,652,218	5,501,618	39,640,644
	21 -	22,639,000	3,852,436	3,129,983	6,982,419	29,621,419	4,034,380	2,800,100	2,619,229	5,419,329	39,075,128
	28 -	22,582,000	3,765,678	3,054,761	6,820,439	29,402,439	4,096,229	2,756,600	2,597,992	5,354,592	38,853,260
June -	4 -	23,423,000	3,720,012	2,997,487	6,717,499	30,140,499	4,095,042	2,786,600	2,614,660	5,401,260	39,636,801
	11 -	23,083,000	3,694,974	2,982,365	6,677,339	29,760,339	3,879,264	2,743,300	2,546,203	5,289,503	38,929,106
	18 -	22,696,000	3,685,102	3,008,893	6,693,995	29,389,995	3,789,767	2,710,600	2,477,524	5,188,124	38,367,886
	25 -	22,632,000	3,695,683	3,020,100	6,715,783	29,347,783	3,710,631	2,681,400	2,441,710	5,123,110	38,181,524
July -	2 -	22,848,000	3,718,863	3,011,202	6,730,065	29,578,065	3,776,474	2,746,100	2,426,365	5,172,465	38,527,004
	9 -	23,807,000	3,773,102	3,031,111	6,804,213	30,611,213	3,769,699	2,761,700	2,449,116	5,210,816	39,591,728
	16 -	23,888,000	3,753,708	3,045,502	6,799,210	30,687,210	3,820,203	2,724,000	2,435,995	5,159,995	39,667,408
	23 -	23,627,000	3,731,774	3,027,921	6,759,695	30,386,695	3,644,811	2,682,500	2,421,013	5,103,513	39,135,019
	30 -	23,352,000	3,692,739	2,966,057	6,658,796	30,010,796	3,729,120	2,680,000	2,434,236	5,114,236	38,854,152
August	6 -	23,523,000	3,671,529	2,936,142	6,607,671	30,130,671	3,791,062	2,745,600	2,505,527	5,251,127	39,172,860
	13 -	23,100,000	3,658,054	2,965,460	6,623,514	29,723,514	3,747,421	2,700,700	2,506,516	5,207,216	38,678,151
	20 -	23,003,000	3,628,707	2,978,700	6,607,407	29,610,407	3,677,602	2,679,800	2,503,104	5,182,904	38,470,913
	27 -	22,776,000	3,650,252	2,989,994	6,640,246	29,416,246	3,657,929	2,673,200	2,536,013	5,209,213	38,283,388
September	3 -	22,466,000	3,656,216	3,004,385	6,660,601	29,126,601	3,832,633	2,719,300	2,602,921	5,322,221	38,281,455
	10 -	22,198,000	3,694,387	3,044,598	6,738,985	28,936,985	3,788,505	2,717,500	2,634,774	5,352,274	38,077,764
	17 -	22,422,000	3,741,099	3,072,672	6,813,771	29,235,771	3,794,909	2,752,900	2,700,719	5,453,619	38,484,299
	24 -	21,935,000	3,815,332	3,091,925	6,907,257	28,842,257	3,841,141	2,740,600	2,769,644	5,510,244	38,193,642
October	1 -	22,773,000	3,901,313	3,093,334	6,994,647	29,767,647	3,948,378	2,844,100	2,883,719	5,727,819	39,443,844
	8 -	22,841,000	4,008,444	3,161,651	7,170,095	30,011,095	4,016,839	2,940,300	3,093,711	6,034,011	40,061,945
	15 -	23,667,000	4,092,091	3,207,628	7,299,719	30,966,719	3,963,762	3,047,100	3,226,999	6,274,099	41,204,580
	22 -	23,145,000	4,101,216	3,167,038	7,268,254	30,413,254	3,974,806	3,072,000	3,290,400	6,362,400	40,750,460
	29 -	22,987,000	4,075,730	3,115,420	7,191,150	30,178,150	3,995,357	3,066,300	3,331,406	6,397,706	40,571,213
November	5 -	22,627,000	4,039,755	3,109,935	7,149,690	29,776,690	4,094,645	3,089,500	3,321,729	6,411,229	40,282,564
	12 -	22,181,000	3,991,808	3,142,514	7,134,322	29,315,322	4,358,338	3,070,600	3,336,871	6,407,471	40,081,131
	19 -	21,591,000	3,937,665	3,129,467	7,067,132	28,658,132	4,337,275	3,036,300	3,320,580	6,356,880	39,352,287
	26 -	21,344,000	3,899,762	3,101,563	7,001,325	28,345,325	4,355,706	3,022,100	3,319,212	6,341,312	39,042,343
December	3 -	21,205,000	3,870,732	3,081,739	6,952,471	28,157,471	4,347,354	3,112,000	3,358,360	6,470,360	38,975,185
	10 -	21,045,000	3,840,451	3,065,714	6,906,165	27,951,165	4,109,458	3,096,400	3,355,753	6,452,153	38,512,776
	17 -	20,606,000	3,817,131	3,043,302	6,860,433	27,466,433	4,023,962	3,098,400	3,359,402	6,457,802	37,948,197
	24 -	20,810,000	3,806,707	3,033,600	6,840,307	27,650,307	3,970,398	3,076,800	3,355,802	6,432,602	38,053,307
	31 -	21,078,000	3,833,492	3,036,256	6,869,748	27,947,748	4,162,994	3,069,500	3,293,243	6,362,743	38,473,485

(continued)

AN ACCOUNT of the Aggregate Weekly Circulation of Bank Notes in the United Kingdom, &c.—*continued.*

WEEK ENDING	ENGLAND.					SCOTLAND.	IRELAND.			TOTAL Circulation in the United Kingdom.
	Bank of England Notes in the hands of the Public.	Private Banks.	Joint Stock Banks.	TOTAL of English Country Issues.	TOTAL Circulation in England.	Chartered Private and Joint Stock Banks.	Bank of Ireland.	Other Banks.	TOTAL in Ireland.	
1854:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
January 7	21,348,000	3,900,045	3,060,464	6,960,509	28,308,509	3,970,568	3,133,300	3,322,278	6,455,578	38,734,655
14	21,941,000	3,969,180	3,132,717	7,101,897	29,042,897	3,934,923	3,191,800	3,428,891	6,620,691	39,598,511
21	22,271,000	3,955,518	3,096,397	7,051,915	29,322,915	3,924,047	3,212,100	3,507,814	6,719,914	39,966,876
28	22,348,000	3,942,631	3,077,395	7,020,026	29,368,026	3,902,017	3,204,200	3,556,905	6,761,105	40,031,148
February 4	22,557,000	3,919,585	3,058,583	6,978,168	29,535,168	4,182,540	3,255,600	3,575,265	6,830,865	40,548,573
11	22,109,000	3,880,057	3,053,432	6,933,489	29,042,489	3,950,146	3,240,300	3,599,324	6,839,624	39,832,259
18	21,655,000	3,841,839	3,044,426	6,886,265	28,541,265	3,861,758	3,203,500	3,543,737	6,747,237	39,150,260
25	21,670,000	3,817,915	3,055,082	6,872,997	28,542,997	3,816,801	3,200,600	3,529,741	6,730,341	39,090,139
March 4	21,558,000	3,817,451	3,068,703	6,886,154	28,444,154	4,023,900	3,250,000	3,509,043	6,759,043	39,227,097
11	21,014,000	3,820,096	3,088,573	6,908,669	27,922,669	3,755,216	3,216,600	3,479,684	6,696,284	38,374,169
18	20,784,000	3,791,697	3,093,191	6,884,888	27,668,888	3,781,552	3,202,500	3,454,956	6,657,456	38,107,896
25	21,241,000	3,807,984	3,137,564	6,945,548	28,186,548	3,735,110	3,177,300	3,418,207	6,595,507	38,517,165
April 1	21,684,000	3,874,575	3,180,754	7,055,329	28,739,329	3,833,697	3,231,800	3,407,200	6,639,000	39,212,026
8	22,411,000	3,953,638	3,169,847	7,123,485	29,534,485	3,897,952	3,252,100	3,415,168	6,667,268	40,099,705
15	22,490,000	3,970,934	3,124,448	7,095,382	29,585,382	3,869,654	3,280,300	3,383,578	6,663,878	40,118,914
22	22,270,000	3,978,128	3,151,025	7,129,153	29,399,153	3,830,637	3,286,600	3,303,263	6,589,863	39,819,653
29	22,247,000	3,969,211	3,147,218	7,116,429	29,363,429	3,888,661	3,316,900	3,305,027	6,621,927	39,874,017
May 6	21,974,000	3,945,242	3,127,684	7,072,926	29,046,926	3,992,852	3,318,100	3,303,004	6,621,104	39,660,882
13	21,144,000	3,906,376	3,114,822	7,021,198	28,165,198	4,158,289	3,276,800	3,232,395	6,509,195	38,832,682
20	20,679,000	3,837,630	3,106,953	6,944,583	27,623,583	4,403,875	3,173,900	3,144,520	6,318,420	38,345,878
27	20,460,000	3,765,817	3,030,183	6,796,000	27,256,000	4,361,741	3,126,200	3,085,811	6,212,011	37,829,752
June 3	20,540,000	3,734,093	2,993,741	6,727,834	27,267,834	4,358,833	3,134,200	3,024,471	6,158,671	37,785,338
10	20,314,000	3,700,031	2,962,019	6,662,050	26,976,050	4,151,969	3,076,700	2,955,361	6,032,061	37,160,080
17	19,701,000	3,637,498	2,952,047	6,589,545	26,290,545	4,090,496	3,010,900	2,873,586	5,884,486	36,265,527
24	19,614,000	3,615,354	2,934,274	6,549,628	26,163,628	3,975,183	2,953,100	2,825,356	5,778,456	35,917,267
July 1	20,099,000	3,605,109	2,910,171	6,515,280	26,614,280	4,042,465	2,995,200	2,779,462	5,774,662	36,431,207
8	20,521,000	3,638,774	2,925,173	6,563,947	27,084,947	3,974,117	2,997,400	2,770,453	5,767,853	36,826,917
15	20,683,000	3,616,687	2,930,235	6,546,922	27,229,922	4,128,349	2,980,000	2,705,259	5,685,259	37,043,530
22	20,657,000	3,594,716	2,912,966	6,507,682	27,164,682	3,874,921	2,920,600	2,670,777	5,591,377	36,630,980
29	20,515,000	3,549,765	2,860,161	6,409,926	26,924,926	3,888,816	2,908,500	2,671,369	5,579,869	36,393,611

August -	5	-	20,302,000	3,520,782	2,829,652	6,350,434	26,652,434	3,958,241	2,910,500	2,689,272	5,599,772	36,210,447
	12	-	20,165,000	3,499,233	2,847,759	6,346,992	26,511,992	3,924,157	2,877,000	2,673,580	5,550,580	35,986,729
	19	-	20,123,000	3,475,133	2,846,855	6,321,988	26,444,988	3,901,685	2,854,500	2,686,985	5,541,485	35,888,158
	26	-	20,048,000	3,481,482	2,852,170	6,333,652	26,381,652	3,790,243	2,846,400	2,727,597	5,573,997	35,745,892
September	2	-	19,852,000	3,484,359	2,868,860	6,353,219	26,205,219	3,853,700	2,898,600	2,744,990	5,643,590	35,702,509
	9	-	19,622,000	3,519,473	2,896,889	6,416,362	26,038,362	3,921,741	2,877,500	2,750,685	5,628,185	35,588,288
	16	-	19,583,000	3,551,072	2,952,917	6,503,989	26,086,989	3,941,426	2,873,800	2,757,986	5,631,786	35,660,201
	23	-	19,296,000	3,607,334	3,002,763	6,610,097	25,906,097	3,998,334	2,853,400	2,793,309	5,646,709	35,551,140
	30	-	19,965,000	3,721,719	3,064,952	6,786,671	26,751,671	4,021,335	2,916,600	2,871,000	5,787,600	36,560,606
October	7	-	19,959,000	3,874,823	3,142,073	7,016,896	26,975,896	4,178,340	3,058,300	3,065,584	6,123,884	37,278,120
	14	-	20,578,000	4,003,955	3,158,997	7,162,952	27,740,952	4,194,338	3,119,800	3,170,122	6,289,922	38,225,212
	21	-	20,872,000	4,005,657	3,132,060	7,137,717	28,009,717	4,182,237	3,204,300	3,264,660	6,468,960	38,660,914
	28	-	20,936,000	3,985,783	3,125,842	7,111,625	28,047,625	4,173,619	3,187,500	3,302,063	6,489,563	38,710,807
November	4	-	20,604,000	3,988,910	3,156,559	7,145,469	27,749,469	4,315,153	3,262,300	3,368,854	6,631,154	38,695,776
	11	-	20,289,000	3,979,489	3,168,733	7,148,222	27,437,222	4,513,662	3,258,800	3,423,336	6,682,136	38,633,020
	18	-	19,828,000	3,926,372	3,126,001	7,052,373	26,880,373	4,462,735	3,246,300	3,424,319	6,670,619	38,013,727
	25	-	19,750,000	3,898,692	3,098,501	6,997,193	26,747,193	4,516,100	3,219,200	3,430,144	6,649,344	37,912,637
December	2	-	19,617,000	3,885,394	3,095,978	6,981,372	26,598,372	4,516,388	3,292,200	3,467,437	6,759,637	37,874,397
	9	-	19,406,000	3,850,702	3,077,401	6,928,103	26,334,103	4,347,087	3,268,200	3,492,310	6,760,510	37,441,700
	16	-	19,039,000	3,828,590	3,057,878	6,886,468	25,925,468	4,278,630	3,233,000	3,459,774	6,692,774	36,896,872
	23	-	19,125,000	3,830,950	3,059,677	6,890,627	26,015,627	4,122,294	3,247,700	3,429,982	6,677,682	36,815,603
	30	-	19,401,000	3,664,941	3,055,862	6,720,803	26,121,803	4,291,113	3,223,500	3,380,865	6,604,365	37,017,281
1855:												
January	6	-	19,682,000	3,944,265	3,098,912	7,043,177	26,725,177	4,133,179	3,335,000	3,451,548	6,786,548	37,644,904
	13	-	20,117,000	3,997,483	3,152,675	7,150,158	27,267,158	4,099,358	3,353,100	3,428,205	6,781,305	38,147,821
	20	-	20,046,000	3,960,598	3,106,933	7,067,531	27,113,531	3,954,466	3,356,900	3,401,374	6,758,274	37,826,271
	27	-	19,783,000	3,897,963	3,048,535	6,946,498	26,729,498	3,919,070	3,354,800	3,395,487	6,750,287	37,398,855
February	3	-	19,826,000	3,823,147	2,994,242	6,817,389	26,643,389	4,088,865	3,419,300	3,405,941	6,825,241	37,557,495
	10	-	19,528,000	3,775,853	2,979,960	6,755,813	26,283,813	3,889,131	3,409,900	3,390,639	6,800,539	36,973,483
	17	-	19,246,000	3,754,317	3,002,981	6,757,298	26,003,298	3,834,434	3,396,500	3,370,198	6,766,698	36,604,430
	24	-	19,062,000	3,727,348	2,989,915	6,717,263	25,779,263	3,722,302	3,370,000	3,348,424	6,718,424	36,219,989
March -	3	-	19,098,000	3,733,792	3,000,238	6,734,030	25,832,030	4,076,477	3,434,700	3,299,830	6,734,530	36,643,037
	10	-	18,968,000	3,759,888	3,041,518	6,801,406	25,769,406	3,725,457	3,383,000	3,258,773	6,641,773	36,136,636
	17	-	18,984,000	3,757,439	3,056,356	6,813,795	25,797,795	3,722,116	3,337,800	3,197,762	6,535,562	36,055,473
	24	-	19,058,000	3,802,535	3,119,073	6,921,608	25,979,608	3,655,794	3,300,300	3,152,446	6,452,746	36,088,148
	31	-	19,488,000	3,878,766	3,158,404	7,037,170	26,525,170	3,666,582	3,266,400	3,131,943	6,398,343	36,590,095
April -	7	-	19,812,000	3,976,408	3,173,208	7,149,616	26,961,616	3,864,536	3,348,700	3,200,077	6,548,777	37,374,929
	14	-	20,384,000	3,993,037	3,155,098	7,148,135	27,532,135	3,784,866	3,351,800	3,098,176	6,449,976	37,766,977
	21	-	20,283,000	3,977,880	3,173,259	7,151,139	27,434,139	3,788,725	3,344,200	3,038,100	6,382,300	37,605,164
	28	-	20,360,000	3,948,416	3,167,455	7,115,871	27,475,871	3,768,027	3,312,000	3,029,530	6,341,530	37,585,428

(*continued*)

AN ACCOUNT of the Aggregate Weekly Circulation of Bank Notes in the United Kingdom, &c.—*continued.*

WEEK ENDING	ENGLAND.					SCOTLAND.	IRELAND.			TOTAL Circulation in the United Kingdom.
	Bank of England Notes in the hands of the Public.	Private Banks.	Joint Stock Banks.	TOTAL of English Country Issues.	TOTAL Circulation in England.	Chartered Private and Joint Stock Banks.	Bank of Ireland.	Other Banks.	TOTAL in Ireland.	
1855:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
May - 5 -	20,168,000	3,932,228	3,143,969	7,076,197	27,244,197	3,961,396	3,348,200	3,025,236	6,373,436	37,579,029
12 -	19,919,000	3,895,861	3,123,163	7,019,024	26,938,024	4,086,672	3,287,300	2,984,448	6,271,748	37,296,444
19 -	19,622,000	3,894,434	3,139,879	7,034,313	26,656,313	4,323,941	3,233,500	2,903,685	6,137,185	37,117,439
26 -	19,617,000	3,850,155	3,092,917	6,943,072	26,560,072	4,498,722	3,168,000	2,871,680	6,039,680	37,098,474
June - 2 -	19,740,000	3,800,342	3,043,629	6,843,971	26,583,971	4,406,123	3,175,900	2,808,313	5,984,213	36,974,307
9 -	19,451,000	3,777,970	3,008,907	6,786,877	26,237,877	4,282,012	3,144,900	2,781,973	5,926,873	36,446,762
16 -	19,536,000	3,753,596	2,989,405	6,743,001	26,279,001	4,236,284	3,076,400	2,721,783	5,798,183	36,313,468
23 -	19,542,000	3,760,446	3,001,077	6,761,523	26,303,523	4,065,378	3,049,200	2,683,539	5,732,739	36,101,640
30 -	20,166,000	3,774,481	3,014,053	6,788,534	26,954,534	4,100,607	3,055,200	2,637,574	5,692,774	36,747,915
July - 7 -	20,483,000	3,818,468	3,037,461	6,855,929	27,338,929	4,061,385	3,122,400	2,664,321	5,786,721	37,187,035
14 -	20,979,000	3,814,463	3,052,588	6,867,051	27,846,051	4,144,934	3,089,300	2,620,018	5,709,318	37,700,303
21 -	20,773,000	3,768,564	3,004,247	6,772,811	27,545,811	3,941,937	3,030,400	2,607,649	5,638,049	37,125,797
28 -	20,965,000	3,705,297	2,916,791	6,622,088	27,587,088	3,907,586	2,998,100	2,600,132	5,598,232	37,092,906
August 4 -	20,709,000	3,650,818	2,873,371	6,524,189	27,233,189	4,200,421	3,052,800	2,657,295	5,710,095	37,143,705
11 -	20,493,000	3,619,683	2,871,980	6,491,663	26,984,663	3,998,262	2,978,500	2,644,836	5,623,336	36,606,261
18 -	20,277,000	3,595,509	2,889,853	6,485,362	26,762,362	3,995,990	2,934,800	2,648,421	5,583,221	36,341,573
25 -	20,042,000	3,607,003	2,914,708	6,521,711	26,563,711	3,904,604	2,892,400	2,654,637	5,547,037	36,015,352
September 1 -	20,105,000	3,601,430	2,927,357	6,528,787	26,633,787	3,956,497	2,941,800	2,682,858	5,624,658	36,214,942
8 -	20,142,000	3,619,991	2,936,065	6,556,056	26,698,056	4,040,144	2,959,000	2,723,003	5,682,003	36,420,203
15 -	19,714,000	3,658,110	3,003,928	6,662,038	26,376,038	4,058,248	2,972,600	2,811,467	5,784,067	36,218,353
22 -	19,408,000	3,731,674	3,062,988	6,794,662	26,202,662	4,107,249	3,022,100	2,928,891	5,950,991	36,260,902
29 -	20,173,000	3,840,639	3,085,199	6,925,838	27,098,838	4,170,804	3,121,600	3,061,395	6,182,995	37,452,637
October 6 -	20,292,000	4,018,325	3,157,579	7,175,904	27,467,904	4,308,529	3,268,600	3,274,322	6,542,922	38,319,355
13 -	20,648,000	4,119,260	3,209,021	7,328,281	27,976,281	4,321,434	3,363,800	3,430,085	6,793,885	39,091,600
20 -	20,372,000	4,114,427	3,175,321	7,289,748	27,661,748	4,304,643	3,384,400	3,516,408	6,900,808	38,867,199
27 -	20,436,000	4,043,630	3,096,231	7,139,861	27,575,861	4,274,751	3,361,600	3,555,254	6,916,854	38,767,466
November 3 -	20,097,000	4,038,634	3,107,303	7,145,937	27,242,937	4,403,492	3,440,700	3,563,580	7,004,280	38,650,709
10 -	19,763,000	4,008,900	3,132,543	7,141,443	26,904,443	4,501,201	3,400,000	3,571,119	6,971,119	38,376,763
17 -	19,422,000	3,958,091	3,128,548	7,086,639	26,508,639	4,584,000	3,369,500	3,578,039	6,947,539	38,040,178
24 -	19,051,000	3,921,016	3,113,624	7,034,640	26,085,640	4,703,320	3,353,900	3,580,674	6,934,574	37,723,534
December 1 -	19,075,000	3,876,412	3,096,088	6,972,500	26,047,500	4,619,844	3,446,000	3,611,714	7,057,714	37,725,058
8 -	18,680,000	3,844,192	3,066,913	6,911,105	25,591,105	4,472,258	3,434,100	3,627,738	7,061,838	37,125,201
15 -	18,581,000	3,830,617	3,035,062	6,866,079	25,447,079	4,275,091	3,428,500	3,633,551	7,062,051	36,784,221
22 -	18,380,000	3,819,822	3,034,196	6,854,018	25,234,018	4,235,877	3,387,500	3,604,021	6,991,521	36,461,416
29 -	18,701,000	3,840,641	3,044,734	6,885,375	25,586,375	4,213,212	3,338,900	3,530,181	6,869,081	36,668,668

1856:											
January	5	18,901,000	3,898,289	3,055,894	6,954,183	25,855,183	4,273,693	3,451,000	3,570,346	7,021,346	37,150,222
	12	19,387,000	3,974,911	3,128,674	7,103,585	26,490,585	4,094,559	3,440,700	3,572,970	7,013,670	37,598,814
	19	19,371,000	3,943,105	3,094,192	7,037,297	26,408,297	3,989,713	3,428,700	3,547,969	6,976,669	37,374,679
	26	19,299,000	3,892,144	3,034,262	6,926,406	26,225,406	3,949,262	3,364,600	3,502,626	6,867,226	37,041,894
February	2	19,121,000	3,828,065	2,979,973	6,808,038	25,929,038	4,039,965	3,439,700	3,479,489	6,919,189	36,888,192
	9	18,803,000	3,760,136	2,953,349	6,713,485	25,516,485	3,968,231	3,422,800	3,449,065	6,871,865	36,356,581
	16	18,724,000	3,713,673	2,954,834	6,668,507	25,392,507	3,880,501	3,389,000	3,363,287	6,752,287	36,025,295
	23	18,542,000	3,680,021	2,961,281	6,641,302	25,183,302	3,774,612	3,346,000	3,308,989	6,654,989	35,612,903
March	1	18,935,000	3,675,173	2,967,219	6,642,392	25,577,392	3,807,944	3,356,500	3,269,378	6,625,878	36,011,214
	8	18,620,000	3,707,913	3,009,016	6,716,929	25,336,929	3,903,519	3,327,300	3,240,701	6,568,001	35,808,449
	15	18,493,000	3,705,087	3,037,165	6,742,252	25,235,252	3,793,200	3,299,900	3,217,291	6,517,191	35,545,643
	22	18,385,000	3,744,748	3,094,467	6,839,215	25,224,215	3,785,907	3,274,200	3,233,079	6,507,279	35,517,401
	29	19,017,000	3,827,443	3,149,664	6,977,107	25,994,107	3,735,723	3,229,100	3,189,156	6,418,256	36,148,086
April	5	19,445,000	3,901,766	3,144,551	7,046,317	26,491,317	3,851,846	3,294,200	3,227,105	6,521,305	36,864,468
	12	20,010,000	3,948,438	3,143,670	7,092,108	27,102,108	3,760,074	3,269,700	3,182,436	6,452,136	37,314,318
	19	20,015,000	3,944,903	3,173,181	7,118,084	27,133,084	3,811,684	3,353,000	3,151,314	6,504,314	37,449,082
	26	19,924,000	3,932,041	3,169,983	7,102,024	27,026,024	3,773,747	3,313,800	3,129,408	6,443,208	37,242,979
May	3	20,226,000	3,936,604	3,136,658	7,073,262	27,299,262	4,106,089	3,381,400	3,167,481	6,548,881	37,954,232
	10	19,943,000	3,910,584	3,112,621	7,023,205	26,966,205	4,064,490	3,371,700	3,179,561	6,551,261	37,581,956
	17	19,537,000	3,901,299	3,131,429	7,032,728	26,569,728	4,413,563	3,306,600	3,146,401	6,453,001	37,436,292
	24	19,332,000	3,840,971	3,101,428	6,942,399	26,274,399	4,500,266	3,248,100	3,110,484	6,358,584	37,133,249
	31	19,554,000	3,778,427	3,035,212	6,813,639	26,367,639	4,574,235	3,217,900	3,090,950	6,308,850	37,250,724
June	7	19,579,000	3,742,973	2,997,600	6,740,573	26,319,573	4,402,988	3,229,600	3,107,486	6,337,086	37,059,647
	14	19,234,000	3,726,853	3,005,849	6,732,702	25,966,702	4,278,703	3,161,100	3,051,859	6,212,959	36,458,364
	21	19,323,000	3,718,519	3,027,607	6,746,126	26,069,126	4,146,550	3,134,900	3,024,034	6,158,934	36,374,610
	28	19,515,000	3,741,440	3,055,433	6,796,873	26,311,873	4,023,719	3,091,900	2,997,162	6,089,062	36,424,654
July	5	19,947,000	3,776,540	3,051,498	6,828,038	26,775,038	4,083,484	3,203,800	3,051,866	6,255,666	37,114,188
	12	20,839,000	3,815,848	3,082,680	6,898,528	27,737,528	3,995,807	3,194,000	3,003,801	6,197,801	37,931,136
	19	20,863,000	3,777,078	3,026,931	6,804,009	27,667,009	4,138,428	3,108,600	3,009,465	6,118,065	37,923,502
	26	20,448,000	3,704,709	2,950,544	6,655,253	27,103,253	3,890,599	3,087,000	3,000,410	6,087,410	37,081,262
August	2	20,476,000	3,642,795	2,901,820	6,544,615	27,020,615	3,997,104	3,105,600	3,019,355	6,124,955	37,142,674
	9	20,113,000	3,602,273	2,893,327	6,495,600	26,608,600	3,976,977	3,070,400	2,988,401	6,058,801	36,644,378
	16	20,079,000	3,561,030	2,903,014	6,464,044	26,543,044	4,016,398	3,030,600	2,979,901	6,010,501	36,569,943
	23	19,939,000	3,544,825	2,937,007	6,481,832	26,420,832	3,856,198	3,009,000	3,001,791	6,010,791	36,287,821
	30	20,125,000	3,538,999	2,941,761	6,480,760	26,605,760	3,916,247	3,044,000	3,043,224	6,087,224	36,609,231
September	6	19,980,000	3,571,057	2,964,682	6,535,739	26,515,739	4,045,882	3,078,000	3,132,104	6,210,104	36,771,725
	13	19,752,000	3,625,107	3,026,636	6,651,743	26,403,743	3,998,105	3,101,200	3,198,672	6,299,872	36,701,720
	20	19,789,000	3,692,391	3,097,241	6,789,632	26,578,632	3,959,294	3,154,700	3,299,296	6,453,996	36,991,922
	27	20,224,000	3,790,826	3,104,374	6,895,200	27,119,200	4,007,408	3,196,000	3,386,879	6,582,879	37,709,487
October	4	20,926,000	3,919,946	3,172,201	7,092,147	28,018,147	4,325,509	3,397,600	3,578,655	6,976,255	39,319,911
	11	20,543,000	3,977,992	3,197,161	7,175,153	27,718,153	4,169,515	3,450,700	3,744,048	7,194,748	39,082,416
	18	21,155,000	3,956,928	3,166,339	7,123,267	28,278,267	4,190,558	3,542,300	3,829,049	7,371,349	39,840,174
	25	20,473,000	3,905,093	3,084,726	6,989,819	27,462,819	4,190,751	3,540,100	3,885,383	7,425,483	39,079,053

(continued)

AN ACCOUNT of the Aggregate Weekly Circulation of Bank Notes in the United Kingdom, &c.—*continued.*

WEEK ENDING	ENGLAND.					SCOTLAND.	IRELAND.			TOTAL Circulation in the United Kingdom.
	Bank of England Notes in the hands of the Public.	Private Banks.	Joint Stock Banks.	TOTAL of English Country Issues.	TOTAL Circulation in England.	Chartered Private and Joint Stock Banks.	Bank of Ireland.	Other Banks.	TOTAL in Ireland.	
1856:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
November 1 -	20,536,000	3,893,669	3,095,835	6,989,504	27,525,504	4,292,960	3,588,700	3,881,202	7,469,902	39,288,366
8 -	20,239,000	3,875,020	3,124,897	6,999,917	27,238,917	4,309,818	3,568,100	3,871,410	7,439,510	38,988,245
15 -	19,929,000	3,849,014	3,124,756	6,973,770	26,902,770	4,528,954	3,558,400	3,869,254	7,427,654	38,859,378
22 -	19,543,000	3,807,186	3,110,491	6,917,677	26,460,677	4,647,097	3,521,600	3,844,299	7,365,899	38,473,673
29 -	19,485,000	3,758,639	3,088,004	6,846,643	26,331,643	4,580,099	3,524,600	3,808,013	7,332,613	38,244,355
December 6 -	19,195,000	3,725,302	3,057,250	6,782,552	25,977,552	4,435,538	3,559,400	3,797,772	7,357,172	37,770,262
13 -	18,703,000	3,678,090	3,028,912	6,707,002	25,410,002	4,296,156	3,531,200	3,807,230	7,338,430	37,044,588
20 -	18,513,000	3,636,873	3,005,225	6,642,098	25,155,098	4,085,757	3,503,200	3,697,807	7,201,007	36,441,862
27 -	18,656,000	3,631,828	2,991,643	6,623,471	25,279,471	4,080,667	3,482,700	3,551,044	7,033,744	36,393,882
1857:										
January 3 -	19,225,000	3,670,072	2,993,454	6,663,526	25,888,526	4,347,473	3,578,200	3,565,626	7,143,826	37,379,825
10 -	19,428,000	3,784,804	3,092,681	6,877,485	26,305,485	4,082,162	3,598,800	3,618,506	7,217,306	37,604,953
17 -	19,463,000	3,823,764	3,126,741	6,950,505	26,413,505	3,990,427	3,609,700	3,670,257	7,279,957	37,683,889
24 -	19,090,000	3,777,808	3,099,314	6,877,122	25,967,122	3,923,913	3,578,000	3,666,761	7,244,761	37,135,796
31 -	19,173,000	3,698,229	3,042,816	6,741,045	25,914,045	4,016,695	3,597,100	3,646,979	7,244,079	37,174,819
February 7 -	18,873,000	3,656,633	3,001,100	6,657,733	25,530,733	3,974,172	3,595,100	3,684,906	7,280,006	36,784,911
14 -	18,796,000	3,639,508	3,003,734	6,643,242	25,439,242	3,916,484	3,569,800	3,676,976	7,246,776	36,602,502
21 -	18,615,000	3,618,985	3,023,903	6,642,888	25,257,888	3,816,470	3,557,000	3,628,477	7,185,477	36,259,835
28 -	18,597,000	3,609,717	3,033,454	6,643,171	25,240,171	3,833,749	3,557,300	3,612,854	7,170,154	36,244,074
March - 7 -	18,827,000	3,652,033	3,052,571	6,704,604	25,531,604	3,913,745	3,575,900	3,612,117	7,188,017	36,633,366
14 -	18,517,000	3,661,659	3,062,310	6,723,969	25,240,969	3,749,970	3,556,100	3,593,094	7,149,194	36,140,133
21 -	18,584,000	3,662,922	3,114,847	6,777,769	25,361,769	3,706,335	3,514,700	3,584,255	7,098,955	36,167,059
28 -	19,057,000	3,734,318	3,178,499	6,912,817	25,969,817	3,649,920	3,517,300	3,570,798	7,088,098	36,707,835
April - 4 -	19,538,000	3,798,820	3,173,032	6,971,852	26,509,852	4,100,282	3,608,500	3,606,801	7,215,301	37,825,435
11 -	19,752,000	3,853,955	3,176,205	7,030,160	26,782,160	3,873,829	3,591,400	3,623,365	7,214,765	37,870,754
18 -	19,735,000	3,869,376	3,207,517	7,076,893	26,811,893	3,867,529	3,581,700	3,555,043	7,136,743	37,816,165
25 -	19,789,000	3,843,381	3,202,118	7,045,499	26,834,499	3,799,864	3,575,700	3,543,857	7,119,557	37,753,920
May - 2 -	19,776,000	3,815,669	3,163,027	6,978,696	26,754,696	3,983,964	3,629,900	3,569,747	7,199,647	37,938,307
9 -	19,342,000	3,808,088	3,117,857	6,925,945	26,267,945	4,080,000	3,591,100	3,573,694	7,164,794	37,512,739

Inland Revenue Office,
June 1857.

Appendix, No. 20.

AN ACCOUNT of the Amount of the NOTES of the Bank of *England* in Circulation, of the Amount of all DEPOSITS, of the Amount of all SECURITIES, and of the Amount of all BULLION, held by the Bank of *England* on the 28th February 1857 (in continuation of the Account, No. 4, in the Appendix to the Report of the Secret Committee on Commercial Distress, 1848).

——	Circulation, viz., Bank Notes of £.5, and upwards, and Post Bills.	Deposits.	Rest.	TOTAL of the Liabilities and of the Means.	MEANS.		SECURITIES, viz.:	
					Bullion.	Securities.	Public.	Private.
1857:	£.	£.	£.	£.	£.	£.	£.	£.
28 February	19,340,290	18,399,800	3,719,850	41,459,940	10,343,710	31,116,230	11,495,890	19,620,340

Bank of England,
4 May 1857.

William Smee,
Chief Accountant.

Appendix No. 21.

A RETURN of the Number of BANKS of ISSUE and of NON-ISSUE that have been Established in the Three Divisions of the UNITED KINGDOM, in each Year from 1819 to the present Time, distinguishing Joint Stock Banks from Private Banks; of the Number which have Relinquished Business in each Year, again distinguishing Banks of Issue and of Non-Issue, Private Banks and Joint Stock Banks; and, of the Number which have Relinquished Business in consequence of Failure and other Causes.

ENGLAND and WALES.

YEAR.	Number of Banks Established.				Number of Banks Relinquished.				Private Banks Relinquished				Joint Stock Banks Relinquished			
	Private.		Joint Stock.		Private.		Joint Stock.		From Failure.		From other Causes.		From Failure.		From other Causes.	
	Of Issue.	Of Non-Issue.	Of Issue.	Of Non-Issue.	Of Issue.	Of Non-Issue.	Of Issue.	Of Non-Issue.	Of Issue.	Of Non-Issue.	Of Issue.	Of Non-Issue.	Of Issue.	Of Non-Issue.	Of Issue.	Of Non-Issue.
1819	15	Cannot be ascertained.	- -	- -	38	Cannot be ascertained.	- -	- -	8	3	30	Cannot be ascertained.	The cause cannot be ascertained.			
1820	18		- -	- -	23		- -	- -	2	2	21					
1821	10		- -	- -	17		- -	- -	5	4	12					
1822	22		- -	- -	12		- -	- -	2	6	10					
1823	10		- -	- -	22		- -	- -	3	5	19					
1824	22		- -	- -	21		- -	- -	4	8	17					
1825	27		- -	- -	26		- -	- -	2	4	24					
1826	24		6	- -	100		- -	- -	53	24	47					
1827	19		1	- -	26		- -	- -	4	4	22					
1828	15		3	2	18		- -	- -	- -	2	18					
1829	13		4	- -	27		- -	- -	4	4	23					
1830	7		3	- -	23		- -	- -	1	2	22					
1831	19		7	1	27		- -	- -	4	3	23					
1832	13		10	- -	20		- -	- -	5	4	15					
1833	12		12	1	14		- -	- -	1	1	13					
1834	8		5	3	17		- -	- -	1	1	16					
1835	8		35	10	13		- -	- -	2	1	11					
1836	4		7	4	44		4	3	1	4	43					
1837	4		- -	- -	16		3	2	1	1	15					
1838	5		- -	5	15		- -	- -	- -	2	15					
1839	8		3	2	7		- -	1	- -	9	7					
1840	1		2	- -	12		- -	1	8	16	4					
1841	9		1	2	11		- -	1	11	15	- -					
1842	9		1	1	26		- -	1	4	8	22					
1843	8		- -	1	16		2	3	6	5	10					
1844	3		- -	19	16		20	- -	2	- -	14	- -	1	- -	19	—
1845	- -	7	- -	- -	2	2	1	- -	- -	- -	2	2	1	—	—	—
1846	- -	3	- -	- -	2	3	4	1	1	- -	1	3	3	1	1	—
1847	- -	3	- -	- -	9	4	- -	2	7	3	2	1	- -	1	- -	1
1848	- -	3	- -	- -	5	2	1	1	3	- -	2	2	1	- -	- -	1
1849	- -	2	- -	1	5	4	- -	- -	- -	2	5	2	—	—	—	—
1850	- -	2	- -	- -	2	2	- -	1	1	- -	1	2	- -	1	—	—
1851	- -	2	- -	- -	5	4	- -	3	3	1	2	3	- -	2	- -	1
1852	- -	4	- -	- -	1	- -	- -	1	- -	- -	1	- -	- -	1	—	—
1853	- -	2	- -	1	1	2	- -	- -	- -	- -	1	2	—	—	—	—
1854	- -	3	- -	1	1	2	- -	- -	- -	2	1	—	—	—	—	—
1855	- -	6	- -	3	3	2	1	- -	1	1	2	1	- -	- -	1	—
1856	- -	3	- -	2	6	1	1	2	3	- -	3	1	- -	2	1	—

Inland Revenue Office,
19 February 1857.

A RETURN of the Number of BANKS of ISSUE and of NON-ISSUE that have been Established in the Three Divisions of the UNITED KINGDOM, in each Year from 1819 to the present Time, distinguishing Joint Stock Banks from Private Banks; of the Number that have Relinquished Business in each Year, again distinguishing Banks of Issue and of Non-Issue, Private Banks and Joint Stock Banks; and, of the Number which have Relinquished Business in consequence of Failure and other Causes.

SCOTLAND.

YEAR.	Number of Banks Established.				Number of Banks Relinquished.				Private Banks Relinquished from				Joint Stock Banks Relinquished from			
	Private.		Joint Stock.		Private.		Joint Stock.		Failure.		Other Causes.		Failure.		Other Causes.	
	Issue.	Non-Issue.	Issue.	Non-Issue.	Issue.	Non-Issue.	Issue.	Non-Issue.	Issue.	Non-Issue.	Issue.	Non-Issue.	Issue.	Non-Issue.	Issue.	Non-Issue.
1819	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1820	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1821	- -	1	- -	- -	2	- -	- -	- -	- -	- -	2	—	—	—	—	—
1822	2	- -	- -	- -	- -	- -	1	- -	- -	- -	- -	- -	- -	- -	1	—
1823	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1824	- -	- -	- -	- -	1	- -	- -	- -	not known	-	not known.		—	—	—	—
1825	- -	- -	4	- -	1	- -	- -	- -	- -	- -	1	—	—	—	—	—
1826	- -	- -	- -	- -	1	- -	2	- -	- -	- -	1	- -	1	- -	1	—
1827	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1828	- -	- -	- -	- -	1	—	—	—	—	—	—	—	—	—	—	—
1829	- -	- -	1	- -	- -	- -	1	- -	- -	- -	- -	- -	- -	- -	1	—
1830	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1831	- -	- -	1	—	—	—	—	—	—	—	—	—	—	—	—	—
1832	- -	- -	- -	- -	1	- -	1	- -	1	- -	- -	- -	- -	- -	1	—
1833	- -	- -	1	—	—	—	—	—	—	—	—	—	—	—	—	—
1834	- -	- -	1	—	—	—	—	—	—	—	—	—	—	—	—	—
1835	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1836	- -	- -	- -	- -	1	1	1	- -	- -	1	1	- -	- -	- -	1	—
1837	- -	- -	1	- -	1	- -	1	- -	- -	- -	1	- -	- -	- -	1	—
1838	- -	- -	3	- -	5	- -	1	- -	- -	- -	5	- -	- -	- -	1	—
1839	- -	- -	4	—	—	—	—	—	—	—	—	—	—	—	—	—
1840	- -	- -	2	—	—	—	—	—	—	—	—	—	—	—	—	—
1841	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1842	- -	- -	- -	- -	- -	- -	3	- -	- -	- -	- -	- -	2	- -	1	—
1843	- -	- -	- -	- -	- -	- -	1	- -	- -	- -	- -	- -	- -	- -	1	—
1844	- -	- -	- -	- -	- -	- -	6	- -	- -	- -	- -	- -	- -	- -	6	—
1845	- -	- -	- -	1	- -	- -	2	- -	- -	- -	- -	- -	- -	- -	2	—
1846	- -	- -	- -	3	—	—	—	—	—	—	—	—	—	—	—	—
1847	- -	- -	- -	- -	- -	- -	- -	1	- -	- -	- -	- -	- -	- -	- -	1
1848	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1849	- -	- -	- -	- -	- -	- -	- -	1	- -	- -	- -	- -	- -	- -	- -	1
1850	- -	- -	- -	- -	- -	- -	1	1	- -	- -	- -	- -	- -	- -	1	1
1851	- -	- -	- -	- -	- -	- -	- -	1	- -	- -	- -	- -	- -	- -	- -	1
1852	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1853	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1854	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1855	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1856	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Inland Revenue Office,
11th March 1857.

A RETURN of the Names of the BANKS that existed in *Scotland* in the Years 1819, 1830, 1844, and 1857, respectively, with the Number of BRANCH BANKS belonging to each.

NAMES OF BANKS.	Number of Branches.
YEAR 1819.	
Caithness Banking Company	1
Dundee New Bank	1
Falkirk Banking Company	1
Galloway Banking Company, or Sir W. Douglas, bart., J. Papier & Co.	1
John Maberly & Co., or the Aberdeen, Montrose, Dundee, Edinburgh, and Glasgow Exchange and Deposit Bank.	4
Kilmarnock Banking Company	—
Paisley Banking Company	4
Paisley Union Bank, or Union Banking Company	3
Sir William Forbes, J. Hunter & Co.	—
Ship Bank, or Carrick, Brown & Co.	—
Thistle Bank	—
Ayr Bank, or Hunter's & Co.	2
Aberdeen Banking Company	5
Aberdeen Commercial Bank	—
Bank of Scotland	13
British Linen Company Bank	17
Commercial Bank of Scotland	14
Dundee Banking Company	2
Dundee Union Bank	3
East Lothian Banking Company	1
Fife Banking Company	2
Greenock Bank Company	2
Glasgow Bank Company	1
Leith Banking Company	6
Montrose Bank	1
Perth Banking Company	5
Perth Union Bank	2
Royal Bank of Scotland	1
Renfrewshire Banking Company	5
Stirling Banking Company	—
YEAR 1830.	
Dundee New Bank	1
John Maberly & Co., or the Aberdeen, Montrose, Dundee, Edinburgh, and Glasgow Exchange and Deposit Bank.	4
Paisley Banking Company	3
Paisley Union Bank, or Union Bank Company	3
Ramsay, Bonar & Co.	—
Sir William Forbes, J. Hunter & Co.	—
Ship Bank, or Carrick, Brown & Co.	—
Thistle Bank	—
Ayr Bank, or Hunter's & Co.	4
Aberdeen Banking Company	6
Aberdeen Commercial Bank	—
Arbroath Banking Company	1
Aberdeen Town and County Bank	4
Bank of Scotland	19
British Linen Company Bank	26
Commercial Bank of Scotland	30
Dundee Banking Company	—
Dundee Union Bank	4
Dundee Commercial Bank	—
Greenock Banking Company	3
Glasgow Bank Company	1
Glasgow Union Bank Company	1
Leith Banking Company	11
National Bank of Scotland	17
Perth Banking Company	3
Perth Union Bank	—
Royal Bank of Scotland	1
Renfrewshire Banking Company	4

NAMES OF BANKS.	Number of Branches.
YEAR 1844.	
Aberdeen Banking Company	15
Aberdeen Town and County Banking Company	10
Ayrshire Banking Company	12
Bank of Scotland	33
British Linen Company Bank	44
Commercial Bank of Scotland	53
Central Bank of Scotland	7
Clydesdale Banking Company	13
Caledonian Banking Company	10
City of Glasgow Bank	9
Dundee Banking Company	1
Eastern Bank of Scotland	4
Edinburgh and Glasgow Bank	20
Greenock Bank Company	1
Union Bank of Scotland	31
National Bank of Scotland	35
North of Scotland Banking Company	27
Perth Banking Company	3
Royal Bank of Scotland	6
Western Bank of Scotland	41
YEAR 1857.	
Bank of Scotland - Edinburgh	35
Royal Bank of Scotland - ditto	32
British Linen Company - ditto	48
Commercial Bank of Scotland ditto	61
National Bank of Scotland - ditto	47
Union Bank of Scotland - ditto	78
Edinburgh and Glasgow Bank ditto	23
Aberdeen Town and County Bank, Aberdeen	21
North of Scotland Banking Company, ditto	30
Dundee Banking Company, Dundee	1
Eastern Bank of Scotland - ditto	4
Western Bank of Scotland, Glasgow	98
Clydesdale Banking Company, ditto	12
City of Glasgow Bank - ditto	83
Caledonian Banking Company, Inverness	11
Perth Banking Company, Perth	10
Central Bank of Scotland, ditto	9

A RETURN of the Number of BANKS of ISSUE and of NON-ISSUE that have been Established in the Three Divisions of the UNITED KINGDOM, in each Year from 1819 to the present Time, distinguishing Joint Stock Banks from Private Banks; of the Number which have Relinquished Business in each Year, again distinguishing Banks of Issue and of Non-Issue, Private Banks and Joint Stock Banks; and, of the Number which have Relinquished Business in consequence of Failure and other Causes.

IRELAND.

YEAR.	Number of Banks Established.				Number of Banks Relinquished.				Private Banks Relinquished				Joint Stock Banks Relinquished			
	Private.		Joint Stock.		Private.		Joint Stock.		From Failure.		From other Causes.		From Failure.		From other Causes.	
	Of Issue.	Of Non-Issue.	Of Issue.	Of Non-Issue.	Of Issue.	Of Non-Issue.	Of Issue.	Of Non-Issue.	Of Issue.	Of Non-Issue.	Of Issue.	Of Non-Issue.	Of Issue.	Of Non-Issue.	Of Issue.	Of Non-Issue.
1819	—	Cannot be ascertained.	—	—	—	Cannot be ascertained.	—	—	—	—	—	—	—	—	—	—
1820	2		- -	- -	3		- -	- -	1	- -	2	—	—	—	—	—
1821	- -		- -	- -	5		- -	- -	2	- -	3	—	—	—	—	—
1822	- -		- -	- -	2		- -	- -	- -	- -	2	—	—	—	—	—
1823	- -		- -	- -	1		- -	- -	- -	- -	1	—	—	—	—	—
1824	1		1	—	—		—	—	—	—	—	—	—	—	—	—
1825	- -		1	1	—		—	—	—	—	—	—	—	—	—	—
1826	- -		- -	- -	4		- -	- -	2	- -	2	—	—	—	—	—
1827	- -		1	—	—		—	—	—	—	—	—	—	—	—	—
1828	- -		- -	- -	2		- -	- -	- -	- -	2	—	—	—	—	—
1829	- -		- -	- -	2		- -	- -	- -	- -	2	—	—	—	—	—
1830	—		—	—	—		—	—	—	—	—	—	—	—	—	—
1831	—		—	—	—		—	—	—	—	—	—	—	—	—	—
1832	1		—	—	—		—	—	—	—	—	—	—	—	—	—
1833	1		—	—	—		—	—	—	—	—	—	—	—	—	—
1834	- -		1	—	—		—	—	—	—	—	—	—	—	—	—
1835	1		2	- -	1		- -	- -	1	—	—	—	—	—	—	—
1836	1		6	1	1		- -	- -	1	—	—	—	—	—	—	—
1837	1		2	- -	2		- -	- -	1	- -	1	—	—	—	—	—
1838	—		—	—	—		—	—	—	—	—	—	—	—	—	—
1839	- -		- -	1	- -		6	- -	- -	- -	- -	- -	- -	- -	6	—
1840	- -	3	- -	- -	3	- -	1	- -	- -	- -	3	- -	1	—	—	—
1841	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1842	- -	1	- -	1	—	—	—	—	—	—	—	—	—	—	—	—
1843	- -	- -	- -	- -	- -	1	- -	- -	- -	1	—	—	—	—	—	—
1844	- -	1	- -	1	1	- -	- -	- -	- -	- -	1	—	—	—	—	—
1845	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1846	- -	- -	- -	- -	- -	- -	- -	1	- -	- -	- -	- -	- -	1	—	—
1847	- -	- -	- -	- -	- -	- -	- -	1	- -	- -	- -	- -	- -	- -	- -	1
1848	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1849	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1850	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1851	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1852	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1853	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1854	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1855	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1856	- -	- -	- -	- -	- -	- -	2	1	- -	- -	- -	- -	- -	1	2	—

Inland Revenue Office,
February 1857.

AN ACCOUNT of the Number of PRIVATE BANKS of ISSUE in *England* at the Time of passing the Act of 1844, and whose Issues were fixed by that Act; also the Number which still continue in existence as Banks of Issue, and showing what Number have Ceased to Issue by compounding with the Bank to use Bank of England Notes, and the Number that have Ceased by Failing.

Number of Banks at passing of the Act of 1844, and whose Issues were fixed by that Act.	Number still in Existence.	Number Ceased by Compounding with the Bank of England.	Number Ceased by Failure.
208	157	8	21

Note.—The remainder have either ceased to carry on business, or have been joined to other Banks, or are now carrying on business as Non-issuing Banks.

Inland Revenue Office, 21 January 1857.

AN ACCOUNT of the Number of JOINT STOCK BANKS of ISSUE in *England* at the Time of passing the Act of 1844, and whose Issues were fixed by that Act; also the Number which still continue in existence as Banks of Issue, and showing what Number have Ceased to Issue by compounding with the Bank to use Bank of England Notes, and the Number that have Ceased by Failing.

Number of the Banks at the passing of the Act of 1844, and whose Issues were fixed by that Act.	Number still in Existence.	Number Ceased by Compounding with the Bank of England.	Number Ceased by Failure.
72	63	Nil	6

Note.—The remainder have been united with other Joint Stock Banks.

Inland Revenue Office, 21 January 1857.

AN ACCOUNT of the Number of BANKS of ISSUE in *Scotland* at the Time of the passing of the Act of 1845, and whose Issues were fixed by that Act; also the Number which still continue in existence as Banks of Issue, and showing the Number that have Ceased.

Number of Banks at the passing of the Act of 1845, and whose Issues were fixed by that Act.	Number still in Existence.	Number Ceased.
19	17	2

The Banks which have ceased have been incorporated with other Banks.

Inland Revenue Office, 21 January 1857.

AN ACCOUNT of the Number of BANKS of ISSUE in *Ireland* at the Time of the passing of the Act of 1845, and whose Issues were fixed by that Act; also the Number which still continue in existence as Banks of Issue, and showing the Number that have Ceased to Issue by Contract with the Bank of Ireland, and the Number that have Ceased by Failing.

Number of Banks at the passing of the Act of 1845, and whose Issues were fixed by that Act.	Number still in Existence.	Number Ceased by Contract with the Bank of Ireland.	Number Ceased by Failure.
8	6	Nil.	Nil.

The remaining two Banks have been amalgamated with the National Bank.

Inland Revenue Office, 21 January 1857.

Appendix, No. 22.

AN ACCOUNT of BANKS that have exceeded their limited ISSUES, and of the FINES imposed, since the passing of the Act 7 & 8 Vict. c. 32, to the present Time.

Four Weeks ending	NAME OF BANK AND FIRM.		Amount of Excess.	Penalty Imposed.
			£.	£.
9 November 1844	Sittingbourne and Milton Bank	Vallance & Son	695	none
7 December „	Rochester, Chatham and Strood Bank	Day & Nicholson	7	none
26 April - 1845	Ashford Bank	Jemmett & Pomfret	157	none
26 April - „	Guildford Bank	Haydon & Co.	74	none
24 May - „	Farnham Bank	Knight & Co.	273	none
21 June - „	Oxford Old Bank	Robinson & Co.	265	none
19 July - „	Reigate and Dorking Bank	Nash & Neale	4	none
11 October „	Chertsey Bank	La Coste & Son	27	2
11 October „	Wiveliscombe Bank	P. & W. Hancock	206	10
11 October „	Stamford, Spalding and Boston Banking Company		722	50
11 October „	Salisbury Bank	W. B. & C. G. Brodie	292	10
25 April - 1846	West of England and South Wales District Bank		1,208	50
25 April - „	Shrewsbury and Welsh Pool Bank	Beck, Downward & Co.	166	10
18 July - „	Basingstoke and Odiham Bank	Cole, Seymour & Co.	64	5
18 July - „	Chepstow Old Bank	Bromage, Snead & Co.	56	5
10 October „	Ipswich and Needham Market Bank	Alexanders & Co.	1,084	50
10 October „	Western Bank of Scotland		2,515	20
7 November „	Dorchester Old Bank and Dorsetshire Bank	Williams & Co.	10	2
7 November „	Shrewsbury Old Bank	Rocke, Eyton & Co.	68	5
5 December „	Knaresborough and Claro Banking Company		59	5
2 January 1847	Cornish Bank, Truro	Tweedy & Co.	117	10
2 January „	Bromsgrove Bank	Rufford, Biggs & Co.	13	2
27 March - „	Hertfordshire Hitchin Bank	Sharples & Co.	43	5
24 April - „	Grantham Bank	Kewney & King	651	50
24 April - „	Faringdon Bank	Barnes & Medley	4	1
22 May - „	Coventry Union Banking Company		50	5
17 July - „	Ross Old Bank	Pritchard & Co.	3	1
17 July - „	Reigate and Dorking Bank	Nash & Neale	14	14
20 May - 1848	Whitby Old Bank	Simpson & Co.	6	1
27 October 1849	Newmarket Bank	Eaton, Hammond & Co.	228	5
30 November 1850	Farnham Bank	J. & J. Knight	191	2
4 October 1851	Nottingham and Nottinghamshire Banking Company		94	5
17 April - 1852	Derby Old Bank	Crompton, Newton & Co.	346	10
12 June - „	Carlisle City and District Banking Company		10	none
30 October „	Nottingham and Nottinghamshire Banking Company		86	10
30 October „	Brecon Old Bank	Wilkins & Co.	1,589	20
25 December „	Bedford Bank	T. Barnard & Sons	29	none
16 April - 1853	Faversham Bank	Hilton & Co.	27	1
16 April - „	Stamford, Spalding and Boston Banking Company		628	5
14 May - „	Carlisle City and District Banking Company		45	2
18 February 1854	Weymouth Old Bank	Eliot & Pearce	38	2
28 October „	Doncaster Bank and Retford Bank	Cooke & Co.	1,639	10
28 October „	Chesterfield and North Derbyshire Banking Company		8	none
14 April - 1855	Northamptonshire Banking Company		44	none
10 May - 1856	Guildford Bank	W. T. J. & S. Haydon	21	none
27 September „	Wakefield and Barnsley Union Banking Company		7	none
25 October „	Canterbury Bank	Hammond & Co.	249	none
9 May - 1857	Carlisle City and District Banking Company		4	1

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Inland Revenue Office,
27 May 1857.

14 638 386
14.136

Appendix, No. 23.

BANKS of Issue that have Failed since 1844; the Dividends which they have paid (as far as ascertained); the Aggregate Amount of those Dividends; the Total Amount of Notes on which such Dividends were paid; and the Total Amount of Loss incurred by the Public from the issue of such Notes (as far as ascertained).

Year of Failure.		Amount of Notes out at Time of Failure, as per latest Return.	Aggregate of Dividends declared per £.	Aggregate Amount of Dividends Received.	Total Amount of Loss.
		£.		£.	£.
1845	Humphrey & Son - Cambridge - -	Nil.	- - - -	- - -	Nil.
1846	Latham & Co. - - Dovor - -	9,406	Total and final dividend, 11 *s.* 10¼ *d.*	5,574	3,832
	Sheffield and Retford Bank - - - Sheffield - -	12,940	Paid in full - -	12,940	Nil.
	Leeds and West Riding Bank - - - Leeds - -	17,730	Paid in full - -	17,730	Nil.
1847	Knapp & Co. - - Abingdon - -	23,725	As yet, 2 *s.* 4 *d.* -	2,767	Not yet ascertained.
	Newcastle, &c. Union Bank - - - Newcastle - -	75,005	Paid in full - -	75,005	Nil.
	W. B. Brodie & Co. - Salisbury - -	23,459	Amount not published	Inquiry making	Not yet ascertained.
	Brodie & King - - Shaftesbury -	8,857	Paid in full - -	8,857	Nil.
	Adams, Warren, & Co. Shrewsbury -	7,528	As yet, 1 *s.* 7 *d.* -	596	Not yet ascertained.
	Flood, Lott, & Co. - Honiton - -	15,180	Amount not published	Inquiry making	- ditto.
	S. & W. E. Gundry - Bridport - -	22,182	As yet, 11 *s.* - -	12,200	- ditto.
1848	Kewney & King - - Grantham - -	3,180	Total and final 14 *s.* -	2,226	954
	J. S. Storey - - St. Albans - -	650	As yet, 6 *s.* - -	195	Not yet ascertained.
	Samuel Kenrick - - Wrexham - -	140	Total and final, 14 *s.* 6 *d.*	101	39
1851	Nash & Neale - - Reigate - -	11,371	As yet, 14 *s.* 6¾ *d.* -	8,278	Not yet ascertained.
	Rufford, Biggs, & Co. Bromsgrove -	10,600	Amount not published	Inquiry making	- ditto.
	Rufford, Wragge, & Co. Stourbridge -	11,032	As yet, 2 *s.* 4½ *d.* -	1,310	- ditto.
	Williams & Sons - - Newport - -	8,488	Amount not published	Inquiry making	- ditto.
1856	Palmer & Greene - Lichfield - -	5,955	As yet, 2 *s.* 6 *d.* -	744	- ditto.
	Samuel Adams & Co. - Hertford - -	12,060	As yet, 4 *s.* - -	2,412	- ditto.
	Smith & Whittingstall - Hemel Hempstead	14,315	None yet declared -	- - -	- ditto.
	Farley, Turner, & Co. - Kidderminster -	6,170	- ditto - - -	- - -	- ditto.
1857	Gotch & Sons - - Kettering - -	8,883	- ditto - - -	- - -	- ditto.
	Smith, Hilder, & Co. - Hastings - -	25,485	- ditto - - -	- - -	- ditto.

*** This Return is necessarily very incomplete: it will be years before the estates are wound up, and the ultimate loss ascertained. Also many of the estates are in private hands for distribution, and the proceedings are not published.

Discount Office, Bank of England,
21 July 1857.

Appendix No. 24.

BANK OF ENGLAND.

AN ACCOUNT of the Issue and Banking Departments of the Bank of *England*, pursuant to the Act 7 & 8 Vict. c. 32, for the Week ending on Saturday the 9th day of May 1857.

Appendix, No. 24.

ISSUE DEPARTMENT.

	£.		£.
Notes Issued - - -	23,567,945	Government Debt - -	11,015,100
		Other Securities - - -	3,459,900
		Gold Coin and Bullion -	9,092,945
		Silver Bullion - - -	—
£.	23,567,945	£.	23,567,945

Dated the 14th day of May 1857.

M. Marshall, Chief Cashier.

BANKING DEPARTMENT.

	£.		£.
Proprietors' Capital - -	14,553,000	Government Securities (including Dead-weight Annuity) - - - -	10,303,838
Rest - - - - -	3,328,676	Other Securities - - -	18,630,357
Public Deposits (including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts) - - - -	5,163,146	Notes - - - -	4,226,355
		Gold and Silver Coin - -	715,182
Other Deposits - - -	10,081,864		
Seven-day and other Bills -	749,046		
£.	33,875,732	£.	33,875,732

Dated the 14th day of May 1857.

M. Marshall, Chief Cashier.

Appendix, No. 25 - - - - - - - -

A RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the
(in continuation of the Return, No. 34, in the Appendix to

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		3¼ PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
		£.		£.		£.		
1848:—January - 21	–	- - -	–	87¾ - 100,000				
Week ending - 22	–	- - -	–	- - 100,000				
January - 25	–	- - -	–	89¼ - 50,000				
25	–	- - -	–	89⅛ - 50,000				
Week ending - 29	–	- - -	–	- - 100,000				
February - 10	–	25 *s.* prm. 20,000						
Week ending - 12	–	- - 20,000						
March - 24	–	30 *s.* prm. 50,000	–	- - -	–	82¾ - 45,000		
24	–	- - -	–	- - -	–	82⅞ - 5,000		
25	–	30 *s.* prm. 14,000	–	- - -	–	83¾ - 10,000		
Week ending - 25	–	- - 64,000	–	- - -	–	- - 60,000		
March - 28	–	- - -	–	- - -	–	83¾ - 40,000		
Week ending April 1	–	- - -	–	- - -	–	- - 40,000		
April - - 11	–	- - -	–	- - -	–	80 - 100,000		
14	–	- - -	–	80⅝ - 90,000				
14	–	- - -	–	80¾ - 10,000				
Week ending - 15	–	- - -	–	- - 100,000	–	- - 100,000		
May - - 26	–	- - -	–	82½ - 20,000				
27	–	20 *s.* prm. 20,000	–					
Week ending - 27	–	- - 20,000	–	- - 20,000				
May - - 29	–	- - -	–	82½ - 33,000				
30	–	20 *s.* prm. 9,000	–	82½ - 47,000				
30	–	- - -	–	82⅜ - 50,000				
June - - 1	–	20 *s.* prm. 50,000	–	82¼ - 20,000				
2	–	- - -	–	82¼ - 20,000				
2	–	- - -	–	82⅜ - 20,000				
Week ending - 3	–	- - 59,000	–	- - 190,000				
June - - 5	–	20 *s.* prm. 50,000	–	82⅜ - 15,000				
6	–	- - -	–	82½ - 10,000				
9	–	- - -	–	82¾ - 50,000				
10	–	- - -	–	82¾ - 15,000				
Week ending - 10	–	- - 50,000	–	- - 90,000				
June - - 19	–	- - -	–	83⅝ - 40,000				
20	–	- - -	–	83½ - 100,000				
21	–	- - -	–	83⅝ - 67,000				
21	–	- - -	–	83¾ - 98,000				
22	–	- - -	–	83⅞ - 5,000				
23	–	- - -	–	83¾ - 47,000	–	- - -	- -	- - -
Week ending - 24	–	- - -	–	- - 357,000	–	- - -	- -	- - -

Appendix, No. 25.

Bank of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales the Report of the Secret Committee on Commercial Distress, 1848).

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		3 PER CENTS, 1726.		NEW SOUTH SEA ANNUITIES. SOUTH SEA ANNUITIES, 1751.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.								

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		3¼ PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
		£.		£.		£. s. d.		£.
1848:—June - - 26	–	- - -	–	- - -	–	- - -	–	- - -
27	–	- - -	–	83 7/8 43,000	–	- - -	–	- - -
29	–	- - -	–	- - -	–	- - -	–	- - -
Week ending July 1	–	- - -	–	- 43,000	–	- - -	–	- - -
July - - 6	–	- - -	–	- - -	–	- - -	–	- - -
Week ending - 8	–	- - -	–	- - -	–	- - -	–	- - -
July - - 29	–	30*s.* prm. 10,000						
Week ending - 29	–	- - 10,000						
September 15	–	25*s.* prm. 33,000	–	- - -	–	86 - 10,000 – –		
15	–	- - -	–	- - -	–	85 7/8 - 50,000 – –		
16	–	25*s.* prm. 6,000	–	- - -	–	86 - 25,000 – –		
Week ending - 16	–	- - 39,000	–	- - -	–	- 85,000 – –		
September 18	–	25*s.* prm. 5,000	–	- - -	–	85 7/8 - 30,000 – –		
19	–	- - -	–	- - -	–	86 - 65,000 – –		
20	–	25*s.* prm. 10,000	–	- - -	–	86 - 20,000 – –		
20	–	- - -	–	- - -	–	86 1/8 - 75,000 – –		
21	–	- - -	–	- - -	–	86 1/8 - 25,000 – –		
Week ending - 23	–	- - 15,000	–	- - -	–	- 215,000 – –		
September 25	–	- - -	–	- - -	–	86 1/4 - 50,000 – –		
26	–	- - -	–	- - -	–	86 1/8 - 50,000 – –		
Week ending - 30	–	- - -	–	- - -	–	- 100,000 – –		
December 22	–	38*s.* prm. 20,000						
22	–	40*s.* prm. 20,000	–	- - -	–	- - -	–	87 7/8 15,000
23	–	39*s.* prm. 24,000	–	- - -	–	- - -	–	88 45,000
Week ending - 23	–	- - 64,000	–	- - -	–	- - -	–	- 60,000
December 26	–	38*s.* prm. 20,000						
28	–	- - -	–	- - -	–	- - -	–	89 1/8 20,000
29	–	- - -	–	- - -	–	- - -	–	89 1/8 50,000
Week ending - 30	–	- - 20,000	–	- - -	–	- - -	–	- 70,000
1849:—January - 2	–	- - -	–	- - -	–	- - -	–	- - -
5	–	- - -	–	- - -	–	- - -	–	- - -
Week ending - 6	–	- - -	–	- - -	–	- - -	–	- - -
January - 9	–	- - -	–	- - -	–	- - -	–	- - -
Week ending - 13	–	- - -	–	- - -	–	- - -	–	- - -
February 20	–	- - -	–	- - -	–	93 1/2 - 50,193 5 5		
Week ending - 24	–	- - -	–	- - -	–	- 50,193 5 5		
April - - 10	–	- - -	–	- - -	–	- - -	–	- - -
Week ending - 14	–	- - -	–	- - -	–	- - -	–	- - -

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales—*continued.*

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		3 PER CENTS, 1726.		NEW SOUTH SEA ANNUITIES. SOUTH SEA ANNUITIES, 1751.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.		£.						
–	- - -	–	8 3/8 - 1,000						
–	8 5/8 - 1,500	–	8 3/8 - 1,500						
–	- - -	–	8 7/16 - 5,000						
–	- - 1,500	–	- - 7,500						
–	- - -	–	8 9/16 - 400						
–	- - -	–	- - 400						
–	- - -	–	8 7/16 - 4,200						
–	- - -	–	- - 4,200						
–	- - -	–	8 1/2 - 3,200						
–	- - -	–	- - 3,200						
–	- - -	–	8 1/2 - 200						
–	- - -	–	8 1/2 - 500						
–	- - -	–	- - 700						
–	- - -	–	8 7/16 - 12,500						
–	- - -	–	- - 12,500						
–	- - -	–	8 5/16 - 1,050						
–	- - -	–	- - 1,050						

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		3¼ PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
		£.						£.
1849:—May - 2	–	–	–	–	–	–	–	91½ - 100,000
4	–	–	–	–	–	–	–	–
Week ending - 5	–	–	–	–	–	–	–	- 100,000
May - 25	–	–	–	–	–	–	–	90⅜ - 100,000
Week ending - 26	–	–	–	–	–	–	–	- 100,000
June - 16	–	42*s.* prm. 40,000						
Week ending - 16	–	- - 40,000						
June - 19	–	–	–	–	–	–	–	–
20	–	–	–	–	–	–	–	–
21	–	42*s.* prm. 30,000	–	–	–	–	–	–
22	–	–	–	–	–	–	–	–
23	–	–	–	–	–	–	–	–
Week ending - 23	–	- - 30,000	–	–	–	–	–	–
June - 25	–	42*s.* prm. 20,000						
26	–	–	–	–	–	–	–	–
28	–	–	–	–	–	–	–	–
Week ending - 30	–	- - 20,000	–	–	–	–	–	–
August - 24	–	42*s.* prm. 25,000						
Week ending - 25	–	- - 25,000						
August - 31	–	40*s.* prm. 25,000						
Week ending Sept. 1	–	- - 25,000						
September 22	–	36*s.* prm. 20,000						
Week ending - 22	–	- - 20,000						
September 24	–	35*s.* prm. 30,000						
Week ending - 29	–	- - 30,000						
October - 18	–	–	–	–	–	–	–	–
19	–	–	–	–	–	–	–	–
Week ending - 20	–	–	–	–	–	–	–	–
November 13	–	–	–	–	–	–	–	–
Week ending - 17	–	–	–	–	–	–	–	–
November 21	–	–	–	–	–	–	–	–
23	–	–	–	–	–	–	–	–
Week ending - 24	–	–	–	–	–	–	–	–
December - 11	–	–	–	–	–	–	–	–
Week ending - 15	–	–	–	–	–	–	–	–

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales—*continued*.

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		3 PER CENTS, 1726.		NEW SOUTH SEA ANNUITIES. SOUTH SEA ANNUITIES, 1751.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£. s. d.		£.						
–	- - - - -	–	$8\frac{3}{8}$ - 5,700						
–	$8\frac{5}{8}$ - 5,040 4 5								
–	- - 5,040 4 5	–	- - 5,700						
–	- - - -	–	$8\frac{7}{16}$ - 2,100						
–	- - - -	–	$8\frac{7}{16}$ - 500						
–	- - - -	–	$8\frac{7}{16}$ - 300						
–	$8\frac{11}{16}$ - 6,100 – –								
–	$8\frac{11}{16}$ - 400 – –								
–	- - 6,500 – –	–	- - 2,900						
–	- - - -	–	$8\frac{1}{2}$ - 1,200						
–	- - - -	–	$8\frac{1}{2}$ - 700						
–	- - - -	–	- - 1,900						
–	$8\frac{3}{8}$ - 1,000 – –								
–	$8\frac{3}{8}$ - 3,200 – –								
–	- - 4,200 – –								
–	$8\frac{7}{16}$ - 9,400 – –	–	$8\frac{1}{4}$ - 600						
–	- - 9,400 – –	–	- - 600						
–	$8\frac{7}{16}$ - 300 – –								
–	$8\frac{7}{16}$ - 1,700 – –								
–	- - 2,000 – –								
–	$8\frac{1}{2}$ - 1,400 – –								
–	- - 1,400 – –								

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		3¼ PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.	£.	£.		£.			
1850:—January - 4	- - -	- - -	- - -	–	- - -	–	–	–
Week ending - 5	- - -	- - -	- - -	–	- - -	–	–	–
February - 15	- - -	- - -	- - -	–	- - -	–	–	–
Week ending - 16	- - -	- - -	- - -	–	- - -	–	–	–
March - 1	- - -	- - -	- - -	–	- - -	–	–	–
Week ending - 2	- - -	- - -	- - -	–	- - -	–	–	–
April - - 16	- - -	- - -	- - -	–	- - -	–	–	–
18	- - -	- - -	- - -	–	- - -	–	–	–
Week ending - 20	- - -	- - -	- - -	–	- - -	–	–	–
May - - 21	- - -	- - -	- - -	–	- - -	–	–	–
Week ending - 25	- - -	- - -	- - -	–	- - -	–	–	–
August - 7	- - -	66 *s.* prm. 140,000						
Week ending - 10	- - -	- - 140,000						
October - 4	- - -	- - -	- - -	–	- - -	–	–	–
Week ending - 5	- - -	- - -	- - -	–	- - -	–	–	–
1851:—April - - 23	56 *s.* prm. 20,000							
25	54 *s.* prm. 20,000	- - -	96⅜ - 10,000					
25	- - -	- - -	96¼ - 23,000	–	97⅛ - 50,000			
Week ending - 26	- - 40,000	- - -	- - 33,000	–	- - 50,000			
April - - 28	53 *s.* prm. 10,000							
29	- - -	- - -	96⅛ - 15,000					
May - - 3	52 *s.* prm. 5,000							
Week ending - 3	- - 15,000	- - -	- - 15,000					
May - - 5	50 *s.* prm. 10,000	- - -	- - -	–	96¾ - 50,000			
6	- - -	- - -	- - -	–	96¾ - 50,000			
7	- - -	- - -	96¼ - 17,000					
8	50 *s.* prm. 8,000	- - -	96⅜ - 15,000					
9	50 *s.* prm. 10,000	- - -	96⅜ - 13,000					
Week ending - 10	- - 28,000	- - -	- - 45,000	–	- 100,000			
May - - 13	50 *s.* prm. 15,000							
Week ending - 17	- - 15,000							
June - - 4	- - -	- - -	- - -	–	97⅞ - 50,000			
Week ending - 5	- - -	- - -	- - -	–	- - 50,000			
December - 16	- - -	- - -	- - -	–	- - -	–	–	–
Week ending - 20	- - -	- - -	- - -	–	- - -	–	–	–
December - 24	- - -	- - -	- - -	–	- - -	–	–	–
Week ending - 27	- - -	- - -	- - -	–	- - -	–	–	–

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales—*continued.*

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		3 PER CENTS, 1726.		NEW SOUTH SEA ANNUITIES. SOUTH SEA ANNUITIES, 1751.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.		£. s. d.						
–	$8\frac{9}{16}$ - 3,000								
–	- - 3,000								
–	$8\frac{9}{16}$ - 12,000								
–	- - 12,000								
–	- - -	–	$8\frac{3}{8}$ - 2,430 – –						
–	- - -	–	- - 2,430 – –						
–	- - -	–	$7\frac{15}{16}$ - 6,354 10 –						
–	- - -	–	$7\frac{15}{16}$ - 4,000 – –						
–	- - -	–	- 10,354 10 –						
–	- - -	–	8 - 3,000 – –						
–	- - -	–	- - 3,000 – –						
–	- - -	–	8 - 1,300 – –						
–	- - -	–	- - 1,300 – –						
–	7 - 350								
–	- - 350								
–	- - -	–	$6\frac{13}{16}$ - 7,000 – –						
–	- - -	–	- - 7,000 – –						

(*continued*)

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		3¼ PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
				£.		£.		£.
1852:—January - 6	–	- - -	–	- - -	–	- - -	–	- - -
Week ending - 10	–	- - -	–	- - -	–	- - -	–	- - -
January - 16	–	- - -	–	- - -	–	- - -	–	- - -
Week ending - 17	–	- - -	–	- - -	–	- - -	–	- - -
January - 27	–	- - -	–	96¾ - 43,000	–	96 - 100,000		
30	–	- - -	–	- - -	–	- - -	–	- - -
Week ending - 31	–	- - -	–	- - 43,000	–	100,000	–	- - -
February - 10	–	- - -	–	96¾ - 50,000	–	96 - 40,000	–	- - -
11	–	- - -	–	- - -	–	- - -	–	- - -
Week ending - 14	–	- - -	–	- - 50,000	–	- - 40,000	–	- - -
February - 17	–	- - -	–	- - -	–	- - -	–	- - -
19	–	- - -	–	- - -	–	- - -	–	- - -
Week ending - 21	–	- - -	–	- - -	–	- - -	–	- - -
February - 27	–	- - -	–	- - -	–	- - -	–	- - -
Week ending - 28	–	- - -	–	- - -	–	- - -	–	- - -
March - 2	–	- - -	–	- - -	–	- - -	–	- - -
3	–	- - -	–	- - -	–	- - -	–	- - -
5	–	- - -	–	- - -	–	- - -	–	- - -
Week ending - 6	–	- - -	–	- - -	–	- - -	–	- - -
March - 11	–	- - -	–	- - -	–	- - -	–	- - -
Week ending - 13	–	- - -	–	- - -	–	- - -	–	- - -
April - 16	–	- - -	–	- - -	–	- - -	–	- - -
	–	- - -	–	- - -	–	- - -	–	- - -
Week ending - 17	–	- - -	–	- - -	–	- - -	–	- - -
May - - 14	–	- - -	–	98¾ - 115,000				
Week ending - 15	–	- - -	–	- - 115,000				
May - 18	–	- - -	–	98⅞ - 165,000	–	99¾ - 30,000		
20	–	- - -	–	99 - 50,000				
21	–	- - -	–	99⅛ - 140,000				
Week ending - 22	–	- - -	–	355,000	–	- - 30,000		
May - 27	–	- - -	–	99⅛ - 30,000	–	- - -	–	101⅛ - 11,439
Week ending - 29	–	- - -	–	- - 30,0000	–	- - -	–	- - 11,439

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales—*continued.*

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		3 PER CENTS, 1726.		NEW SOUTH SEA ANNUITIES SOUTH SEA ANNUITIES, 1751.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.		£.						
–	- - -	–	6 3/16 - 4,000						
–	- - -	–	- - 4,000						
–	7 1/16 - 5,000								
–	- - 5,000								
–	7 1/16 - 2,000								
–	- - 2,000								
–	7 1/16 - 1,100	–	6 13/16 - 600						
–	- - -	–	6 13/16 - 700						
–	- - 1,100	–	- - 1,300						
–	- - -	–	6 7/8 - 3,800						
–	- - -	–	6 7/8 - 500						
–	- - -	–	- - 3,800						
–	- - -	–	6 7/8 - 1,100						
–	- - -	–	- - 1,100						
–	- - -	–	6 7/8 - 300						
–	- - -	–	6 7/8 - 200						
–	- - -	–	6 7/8 - 550						
–	- - -	–	1,050						
–	- - -	–	6 7/8 - 330						
–	- - -	–	- - 330						
–	- - -	–	6 1/2 - 400						
–	- - -	–	6 15/16 - 300						
–	- - -	–	- - 700						

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		3¼ PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.				£.	£.	£.	£.
1852:—July - 31	- - -	-	-	-	- - -	- - -	- - -	- - -
Week ending - 31	- - -	-	-	-	- - -	- - -	- - -	- - -
August - 10	- - -	-	-	-	- - -	99 7/8 100,000		
10	- - -	-	-	-	- - -	99 5/8 25,000		
10	- - -	-	-	-	- - -	99 1/2 75,000		
11	- - -	-	-	-	- - -	99 1/4 45,000		
11	- - -	-	-	-	- - -	99 1/8 5,000		
12	- - -	-	-	-	- - -	99 1/8 50,000		
Week ending - 14	- - -	-	-	-	- - -	300,000		
August - 20	- - -	-	-	-	- - -	99 5/8 50,000		
24	- - -	-	-	-	- - -	99 5/8 50,000		
Week ending - 28	- - -	-	-	-	- - -	- 100,000		
November 10	- - -	-	-	-	- - -	- - -	- - -	- - -
Week ending - 13	- - -	-	-	-	- - -	- - -	- - -	- - -
1853:—January - 21	58s. prm. 20,000	-	-	-	99 1/8 20,000			
Week ending - 22	- - 20,000	-	-	-	- 20,000			
January - 24	- - -	-	-	-	99 3/8 30,000			
Week ending - 29	- - -	-	-	-	- 30,000			
February - 5	55s. prm. 35,000							
Week ending - 5	- - 35,000							
February - 8	54s. prm. 113,000							
Week ending - 12	- - 113,000							
February - 18	35s. prm. 5,000							
19	10s. prm. 24,000							
Week ending - 19	- - 29,000							
February - 25	8s. prm. 50,000							
25	6s. prm. 30,000							
26	10s. prm. 50,000							
Week ending - 26	- - 130,000							
March - 1	7s. prm. 4,200							
1	10s. prm. 20,000							
Week ending - 5	- - 24,200							
May - 12	- - -	-	-	-	- - -	- - -	- - -	- - -
Week ending 14	- - -	-	-	-	- - -	- - -	- - -	- - -
August - 31	- - -	-	-	-	- - -	- - -	101 3/8 100,000	
September 2	- - -	-	-	-	97 1/2 100,000	- - -	101 80,000	100 5/8 45,000
2	- - -	-	-	-	- - -	- - -	101 1/8 50,000	100 3/4 45,000
3	- - -	-	-	-	- - -	- - -	- - -	- - -
Week ending - 3	- - -	-	-	-	- 100,000	- - -	- 230,000	- 90,000
September - 8	- - -	-	-	-	- - -	- - -	- - -	- - -
Week ending - 10	- - -	-	-	-	- - -	- - -	- - -	- - -
September - 13	- - -	-	-	-	96 1/2 100,000			
17	- - -	-	-	-	95 1/4 75,000			
17	- - -	-	-	-	95 1/8 75,000			
Week ending - 17	- - -	-	-	-	- 250,000			

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales—*continued.*

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		3 PER CENTS, 1726.		SOUTH SEA, 3½, &c.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
£.		£.		£.	£.		£.		
- - -	-	- - -	-	- - -	99 ¼ - 6,217				
- - -	-	- - -	-	- - -	- - 6,217				
- - -	-	- - -	-	- - -	- - -	-	111 ⅞ 11,000		
- - -	-	- - -	-	- - -	- - -	-	- 11,000		
6 - 13,037	-	6 3/16 - 3,000							
- - 13,037	-	- - 3,000							
5 15/16 - 4,787									
- - 4,787									
- - -	-	- - -	-	100 - 6,217					
- - -	-	- - -	-	- - 6,217					

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		3¼ PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.	£.			£.			
1853:—September 20	- - -	- - -	- - -	- - -	95⅛ - 100,000			
24	- - -	- - -	- - -	- - -	94¼ - 50,000			
24	- - -	- - -	- - -	- - -	94⅛ - 50,000			
Week ending - 24	- - -	- - -	- - -	- - -	- - 200,000			
October - 11	- - -	- - -	- - -	- - -	94⅜ - 50,000			
13	5s. prm. 320,000	- - -	- - -	- - -	94½ - 50,000	-	-	- -
15	5s. prm. 18,000							
Week ending - 15	- - 338,000	- - -	- - -	- - -	- - 100,000	-	-	- -
October - 17	5s. prm. 3,000							
18	5s. prm. 10,000	- - -	- - -	- - -	- - -	-	-	- -
18	- - -	- - -	- - -	- - -	- - -	-	-	- -
18	- - -	- - -	- - -	- - -	- - -	-	-	- -
19	5s. prm. 9,000							
20	5s. prm. 9,000							
21	par - 200,000							
22	par - 100,000							
Week ending - 22	- - 318,000	- - -	- - -	- - -	- - -	-	-	- -
October - 25	par - 39,500							
26	par - 2,000							
27	par - 83,000							
Week ending - 29	- - 124,500							
November 18	- - -	par - 315,600						
18	- - -	par - 307,900						
Week ending - 19	- - -	623,500						
1854:—January - 11	10s. prm. 35,000							
Week ending - 14	- - 35,000							
January - 16	10s. prm. 20,000							
21	10s. prm. 25,000							
Week ending - 21	- - 45,000							
January - 23	10s. prm. 17,200							
25	10s. prm. 79,000							
26	10s. prm. 11,700							
Week ending - 26	- - 107,900							
February - 7	17s. prm. 45,000							
Week ending - 11	- - 45,000							
February - 14	10s. prm. 90,000							
Week ending - 18	- - 90,000							
March - 16	12s. prm. 23,000							
16	12s. prm. 10,000							
Week ending - 18	- - 33,000							
March - 29	par - 57,000							
30	par - 31,000							
31	par - 60,000							
April - 1	par - 36,500							
Week ending - 1	- - 184,500							

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales—*continued.*

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		3 PER CENTS, 1726.		NEW SOUTH SEA ANNUITIES. SOUTH SEA ANNUITIES, 1751.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
					£.		£.		
–	– – –	–	– – –	–	100 ½ - 8,000				
–	– – –	–	– – –	–	– – 8,000				
–	– – –	–	– – –	–	100 ½ - 1,822	–	100 ½ - 13,300		
–	– – –	–	– – –	–	– – –	–	100 ½ - 41,009		
–	– – –	–	– – –	–	– – –	–	100 ¼ - 3,226		
–	– – –	–	– – –	–	– – 1,822	–	– – 57,535		

(continued)

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		3¼ PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.		£.		£.			
1854:—April - - 3	par - 35,000							
4	par - 26,500							
5	par - 26,500							
6	par - 151,400							
7	par - 50,000							
8	par - 26,000							
Week ending - 8	- - 315,400							
April - - 10	2*s.* prm. 12,000							
11	2*s.* prm. 75,100							
12	2*s.* prm. 56,600							
13	2*s.* prm. 3,000							
15	par - 159,000							
Week ending - 15	- - 305,700							
April - - 17	2*s.* prm. 22,000							
18	par - 24,000							
19	par - 56,500							
20	par - 13,000							
21	par - 15,300							
21	- - -	-	- - -	-	87½ - 5,000			
21	- - -	-	- - -	-	88⅛ - 50,000			
21	- - -	-	- - -	-	88 - 50,000			
22	par - 10,500	-	- - -	-	87¼ - 120,000			
Week ending - 22	- - 141,300	-	- - -	-	- - 225,000			
April - - 24	par - 1,900	-	- - -	-	87½ - 31,714			
24	- - -	-	- - -	-	87⅜ - 15,000			
24	- - -	-	- - -	-	87¼ - 53,285			
25	par - 12,800	-	86 - 10,000	-	87 - 105,000			
25	- - -	-	85⅞ - 10,000					
27	par - 150,000							
29	par - 7,800							
Week ending - 29	- - 172,500	-	- - 20,000	-	- - 204,999			
May - - 2	par - 17,000							
3	par - 20,200	-	- - -	-	87¾ - 45,000			
4	par - 4,900							
5	par - 83,000	-	86⅜ - 10,000	-	87⅝ - 79,000			
5	- - -	-	86¼ - 20,000					
6	par - 7,000	-	86⅜ - 50,000	-	87⅛ - 60,000			
6	- - -	-	86½ - 40,000	-	87¼ - 30,000			
6	- - -	-	- - -	-	87⅜ - 30,000			
Week ending - 6	- - 132,100	-	- - 120,000	-	- - 244,000			
May - - 8	par - 101,200	-	- - -	-	87⅛ - 100,000			
9	par - 24,100	-	86¼ - 10,000	-				
9	- - -	-	86⅛ - 55,000	-	87⅛ - 50,000			
10	par - 9,400							
12	par - 100,000							
Week ending - 13	- - 234,700	-	- - 65,000	-	- - 150,000			
May - - 15	par - 19,100							
16	100,000							
Week ending - 20	- - 119,100							

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales—*continued.*

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		3 PER CENTS, 1726.		NEW SOUTH SEA ANNUITIES. SOUTH SEA ANNUITIES, 1751.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		3¼ PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.	£.		£.				
1854:—June - - 7	1 s. prm. 122,600							
8	1 s. prm. 5,000							
Week ending - 10	- - 127,600							
June - - 12	1 s. prm. 2,800							
17	1 s. prm. 18,000							
Week ending - 17	- - 20,800							
June - - 19	1 s. prm. 5,800							
22	4,500							
23	- - -	- - -	-	93 7/8 - 50,000				
24	- - -	- - -	-	94 1/8 - 100,000				
Week ending - 24	- - 10,300	- - -	-	- - 150,000				
June - - 26	- - -	- - -	-	93 5/8 - 35,000				
27	- - -	- - -	-	94 - 20,000				
Week ending July 1	- - -	- - -	-	- - 55,000				
September 1	- - -	2 s. prm. 9,000						
Week ending - 2	- - -	- - 9,000						
September 25	- - -	- - -	-	- - -	- -	- -	- -	- -
Week ending - 30	- - -	- - -	-	- - -	- -	- -	- -	- -
October - 3	- - -	- - -	-	- - -	- -	- -	- -	- -
Week ending - 7	- - -	- - -	-	- - -	- -	- -	- -	- -
October - 11	- - -	- - -	-	- - -	- -	- -	- -	- -
14	- - -	- - -	-	- - -	- -	- -	- -	- -
Week ending - 14	- - -	- - -	-	- - -	- -	- -	- -	- -
October - 18	- - -	5 s. prm. 52,000	-	- - -	- -	- -	- -	- -
19	- - -	5 s. prm. 2,000						
19	- - -	5 s. prm. 39,000						
20	- - -	5 s. prm. 12,000						
21	- - -	5 s. prm. 2,000						
21	- - -	5 s. prm. 4,000						
Week ending - 21	- - -	- - 111,000	-	- - -	- -	- -	- -	- -
October - 24	- - -	- - -	-	- - -	- -	- -	- -	- -
27	7 s. prm. 50,000							
27	7 s. prm. 50,000							
Week ending - 28	- - 100,000	- - -	-	- - -	- -	- -	- -	- -
October - 31	- - -	- - -	-	- - -	- -	- -	- -	- -
Week ending Nov. 4	- - -	- - -	-	- - -	- -	- -	- -	- -

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales—*continued.*

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		3 PER CENTS, 1726.		NEW SOUTH SEA ANNUITIES. SOUTH SEA ANNUITIES, 1751.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.		£.						
–	- - -	–	4 $\frac{5}{8}$ - 2,000						
–	- - -	–	- - 2,000						
–	- - -	–	4 $\frac{5}{8}$ - 2,000						
–	- - -	–	- - 2,000						
–	4 $\frac{3}{8}$ - 10,000	–	4 $\frac{5}{8}$ - 1,000						
–	4 $\frac{3}{8}$ - 1,000								
–	- - 11,000	–	- - 1,000						
–	4 $\frac{3}{8}$ - 6,000								
–	- - 6,000								
–	4 $\frac{3}{8}$ - 1,000								
–	- - 1,000								
–	4 $\frac{3}{8}$ - 1,000								
–	- - 1,000								

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		3¼ PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
1854:—November 7	- - -	- - -	- -	- -	- -	- -	- -	- -
9	- - -	- - -	- -	- -	- -	- -	- -	- -
10	- - -	- - -	- -	- -	- -	- -	- -	- -
11	- - -	- - -	- -	- -	- -	- -	- -	- -
Week ending 11	- - -	- - -	- -	- -	- -	- -	- -	- -
November 16	- - -	- - -	- -	- -	- -	- -	- -	- -
Week ending 18	- - -	- - -	- -	- -	- -	- -	- -	- -
November 21	- - -	- - -	- -	- -	- -	- -	- -	- -
24	- - -	- - -	- -	- -	- -	- -	- -	- -
Week ending 25	- - -	- - -	- -	- -	- -	- -	- -	- -
November 28	- - -	- - -	- -	- -	- -	- -	- -	- -
29	- - -	- - -	- -	- -	- -	- -	- -	- -
Week ending Dec. 2	- - -	- - -	- -	- -	- -	- -	- -	- -
December 4	- - -	- - -	- -	- -	- -	- -	- -	- -
Week ending 9	- - -	- - -	- -	- -	- -	- -	- -	- -
December 15	- - -	- - -	- -	- -	- -	- -	- -	- -
Week ending 16	- - -	- - -	- -	- -	- -	- -	- -	- -
December 18	- - -	- - -	- -	- -	- -	- -	- -	- -
19	- - -	- - -	- -	- -	- -	- -	- -	- -
20	- - -	- - -	- -	- -	- -	- -	- -	- -
21	- - -	- - -	- -	- -	- -	- -	- -	- -
Week ending 23	- - -	- - -	- -	- -	- -	- -	- -	- -
December 26	- - -	- - -	- -	- -	- -	- -	- -	- -
Week ending 30	- - -	- - -	- -	- -	- -	- -	- -	- -
1855:—January 5	- - -	- - -	- -	- -	- -	- -	- -	- -
Week ending 6	- - -	- - -	- -	- -	- -	- -	- -	- -
January 9	- - -	- - -	- -	- -	- -	- -	- -	- -
10	- - -	- - -	- -	- -	- -	- -	- -	- -
12	- - -	- - -	- -	- -	- -	- -	- -	- -
13	- - -	- - -	- -	- -	- -	- -	- -	- -
Week ending 13	- - -	- - -	- -	- -	- -	- -	- -	- -
January 16	- - -	- - -	- -	- -	- -	- -	- -	- -
Week ending 20	- - -	- - -	- -	- -	- -	- -	- -	- -
January 23	- - -	- - -	- -	- -	- -	- -	- -	- -
26	- - -	- - -	- -	- -	- -	- -	- -	- -
26	- - -	- - -	- -	- -	- -	- -	- -	- -
27	- - -	- - -	- -	- -	- -	- -	- -	- -
Week ending 27	- - -	- - -	- -	- -	- -	- -	- -	- -

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales—*continued.*

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		3 PER CENTS, 1726.		NEW SOUTH SEA ANNUITIES. SOUTH SEA ANNUITIES, 1751.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.		£.						
–	4 3/8 - 950								
–	4 3/8 - 3,300								
–	4 3/8 - 650								
–	4 3/8 - 3,900								
–	- - 8,800								
–	4 3/8 - 3,850								
–	- - 3,850								
–	4 3/8 - 200								
–	- - -	–	4 1/8 - 7,500						
–	- - 200	–	- - 7,500						
–	4 3/8 - 1,000								
–	4 3/8 - 11,800								
–	- - 12,800								
–	4 3/8 - 10,400								
–	- - 10,400								
–	4 3/8 - 450								
–	- - 450								
–	4 3/8 - 3,430								
–	4 3/8 - 2,150								
–	4 3/8 - 2,150								
–	4 3/8 - 2,400								
–	- - 10,130								
–	4 3/8 - 450								
–	- - 450								
–	4 3/8 - 300								
–	- - 300								
–	4 3/8 - 300								
–	4 3/8 - 231								
–	4 3/8 - 600								
–	- - -	–	4 3/10 - 150						
–	- - 1,131	–	- - 150						
–	4 3/8 - 200	–	4 3/10 - 100						
–	- - 200	–	- - 100						
–	- - -	–	4 3/10 - 350						
–	- - -	–	4 3/10 - 100						
–	- - -	–	4 3/10 - 804						
–	- - 154								
–	- - 154	–	- - 1,254						

(continued)

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		NEW 3 PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.	£.				£.		£.
1855:—February - 13	- - -	- - -	-	-	-	- - -	-	- - -
14	- - -	- - -	-	-	-	- - -	-	- - -
15	- - -	- - -	-	-	-	- - -	-	- - -
16	- - -	- - -	-	-	-	- - -	-	- - -
17	- - -	- - -	-	-	-	- - -	-	- - -
Week ending - 17	- - -	- - -	-	-	-	- - -	-	- - -
February - 22	- - -	- - -	-	-	-	- - -	-	- - -
23	- - -	- - -	-	-	-	- - -	-	- - -
Week ending - 24	- - -	- - -	-	-	-	- - -	-	- - -
March - 1	- - -	- - -	-	-	-	- - -	-	- - -
2	- - -	- - -	-	-	-	- - -	-	- - -
Week ending - 3	- - -	- - -	-	-	-	- - -	-	- - -
March - 8	- - -	- - -	-	-	-	- - -	-	- - -
Week ending - 10	- - -	- - -	-	-	-	- - -	-	- - -
April - - 11	9*s.* prm. 30,000							
Week ending - 14	- - 30,000							
April - - 20	8*s.* prm. 24,000							
Week ending - 21	- - 24,000							
May - 16	- - -	- - -	-	-	-	89 - 10,000		
18	- - -	- - -	-	-	-	89½ - 11,000		
Week ending - 19	- - -	- - -	-	-	-	- - 21,000		
May - - 21	- - -	- - -	-	-	-	- - -	-	89 - 50,000
22	- - -	- - -	-	-	-	- - -	-	88¾ - 50,000
23	- - -	5*s.* prm. 220,000						
26	- - -	5*s.* prm. 180,000						
Week ending - 26	- - -	- - 400,000	-	-	-	- - -	-	- - 100,000
May - - 30	- - -	5*s.* prm. 100,000						
Week ending June 2	- - -	- - 100,000						
June - - 5	- - -	- - -	-	-	-	- - -	-	- - -
Week ending - 9	- - -	- - -	-	-	-	- - -	-	- - -
July - - 9	- - -	- - -	-	-	-	- - -	-	- - -
14	21*s.* prm. 50,000							
Week ending - 14	- - 50,000	- - -	-	-	-	- - -	-	- - -

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales—*continued.*

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		*30 YEARS ANNUITIES.		OMNIUM.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.		£.	£.			£.	£.	
–	- - -	–	4 3/16 - 200						
–	4 3/8 400								
–	- - 1,200								
–	- - 200								
–	- - 100	–	- - 100						
–	- - 1,900	–	- - 300						
–	4 3/8 - 200								
–	- - 100								
–	- - 300								
–	- - -	–	4 3/16 - 269						
–	- - -	–	- - 300						
–	- - -	–	- - 569						
–	4 3/8 - 536	–	4 3/16 - 331						
–	- - 536	–	- - 331						
–	- - -	–	- - -	- - -	–	–	1 *l.* prm. 25,000		
–	- - -	–	- - -	- - -	–	–	13/8 pm. 125,000		
–	- - -	–	- - -	- - -	–	–	- - 150,000		
–	- - -	–	- - -	*16 7/16 - 1,500					
–	- - -	–	- - -	- - 1,500					
–	- - -	–	- - -	- - -	–	–	- - -	101 - 20,000	
–	- - -	–	- - -	- - -	–	–	- - -	- - 20,000	

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		NEW 3 PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.	£.			£.			
1855:—July - - 16	25*s.* prm. 20,000	- - -	- -	- -	- - -	—	- -	- -
18	25*s.* prm. 20,000							
19	21*s.* prm. 50,000							
20	- - -	- - -	- -	- -	- - -	—	- -	- -
Week ending - 21	- - 90,000	- - -	- -	- -	- - -	—	- -	- -
July - - 24	21*s.* prm. 6,000							
26	- - -	- - -	- -	- -	- - -	—	- -	- -
27	20*s.* prm. 13,000							
28	20*s.* prm. 10,000							
Week ending - 28	- - 29,000	- - -	- -	- -	- - -	—	- -	- -
July - - 31	20*s.* prm. 30,000	- - -	- -	- -	- - -	—	- -	- -
August - 2	20*s.* prm. 30,000	- - -	- -	- -	- - -	—	- -	- -
3	- - -	- - -	- -	- -	- - -	—	- -	- -
Week ending - 4	- - 60,000	- - -	- -	- -	- - -	—	- -	- -
August - 7	- - -	- - -	- -	- -	- - -	—	- -	- -
9	- - -	- - -	- -	- -	- - -	—	- -	- -
Week ending - 11	- - -	- - -	- -	- -	- -	—	- -	- -
August - 15	- - -	15*s.* prm. 50,000						
16	- - -	- - -	- -	- -	- - -	—	- -	- -
Week ending - 18	- - -	- - 50,000	- -	- -	- - -	—	- -	- -
September 12	- - -	- - -	- -	- -	91 $\frac{3}{8}$ - 26,000			
12	- - -	- - -	- -	- -	90 $\frac{7}{8}$ - 3,000			
12	- - -	- - -	- -	- -	90 $\frac{3}{4}$ - 40,000			
13	10*s.* prm. 50,000	- - -	- -	- -	91 $\frac{1}{8}$ - 33,000			
14	- - -	- - -	- -	- -	90 $\frac{5}{8}$ - 40,000			
14	- - -	- - -	- -	- -	90 $\frac{1}{2}$ - 58,000			
Week ending - 15	- - 50,000	- - -	- -	- -	- - 200,000			
September 17	- - -	- - -	- -	- -	9 $\frac{5}{8}$ - 210,000			
18	4*s.* prm. 5,000							
19	- - -	- - -	- -	- -	90 $\frac{1}{4}$ - 40,000			
19	- - -	- - -	- -	- -	90 $\frac{3}{8}$ - 20,000			
19	- - -	- - -	- -	- -	90 - 15,000			
20	- - -	- - -	- -	- -	90 - 80,000			
21	- - -	- - -	- -	- -	90 - 85,000			
22	3*s.* prm. 15,000	- - -	- -	- -	90 - 100,000			
Week ending - 22	- - 20,000	- - -	- -	- -	- - 550,000			

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales—*continued.*

LONG ANNUITIES.		TERMS OF YEARS' APRIL AND OCTOBER.		3 PER CENTS, 1726.		NEW SOUTH SEA ANNUITIES. SOUTH SEA ANNUITIES, 1751.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
£.								£.	
- - -	-	-	- - -	- - -	-	-	- - -	101 - 30,000	
- - -	-	-	- - -	- - -	-	-	- - -	100 7/8 - 20,000	
- - -	-	-	- - -	- - -	-	-	- - -	- - 50,000	
- - -	-	-	- - -	- - -	-	-	- - -	100 7/8 - 10,000	
- - -	-	-	- - -	- - -	-	-	- - -	- - 10,000	
4 1/16 - 5,051									
- - -	-	-	- - -	- - -	-	-	- - -	100 3/4 - 20,000	
- - -	-	-	- - -	- - -	-	-	- - -	5,000	
- - 5,051	-	-	- - -	- - -	-	-	- - -	- - 25,000	
- - -	-	-	- - -	- - -	-	-	- - -	100 3/4 - 40,000	
- - -	-	-	- - -	- - -	-	-	- - -	100 3/4 - 43,000	
- - -	-	-	- - -	- - -	-	-	- - -	- - 83,000	
- - -	-	-	- - -	- - -	-	-	- - -	100 5/8 - 7,000	
- - -	-	-	- - -	- - -	-	-	- - -	- - 7,000	

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		NEW 3 PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.				£.		£.	
1855:—September 24	- - -	- -	- - -	- -	90 - 35,000			
25	- - -	- -	- - -	- -	90 - 40,000			
25	- - -	- -	- - -	- -	89 7/8 - 52,000			
25	par - 18,000	- -	- - -	- -	89 3/4 - 30,000			
26	- - -	- -	- - -	- -	90 - 60,000			
27	- - -	- -	- - -	- -	89 3/8 - 10,000			
28	1 s. dis. 10,000	- -	- - -	- -	88 5/8 - 13,000			
28	4 s. dis. 10,000	- -	- - -	- -	88 1/4 - 20,000			
28	- - -	- -	- - -	- -	88 1/2 - 55,000			
28	- - -	- -	- - -	- -	88 3/8 - 10,000			
28	- - -	- -	- - -	- -	88 3/8 - 50,000			
Week ending - 29	- - 38,000	- -	- - -	- -	- - 375,000			
October - 1	- - -	- -	- - -	- -	88 3/8 - 65,000			
2	- - -	- -	- - -	- -	88 1/2 - 62,000			
2	- - -	- -	- - -	- -	88 3/8 - 145,000			
2	- - -	- -	- - -	- -	88 1/4 - 105,000			
3	- - -	- -	- - -	- -	88 3/8 - 10,000			
3	- - -	- -	- - -	- -	88 1/4 - 55,000			
3	- - -	- -	- - -	- -	88 1/8 - 6,000			
3	- - -	- -	- - -	- -	88 - 74,000			
4	- - -	- -	- - -	- -	88 1/2 - 20,000			
4	- - -	- -	- - -	- -	88 1/4 - 40,000			
4	- - -	- -	- - -	- -	88 - 115,000			
5	- - -	- -	- - -	- -	88 1/2 - 40,000			
5	- - -	- -	- - -	- -	88 3/8 - 65,000			
5	- - -	- -	- - -	- -	88 - 5,000			
Week ending - 6	- - -	- -	- - -	- -	- 807,000			
October 8	- - -	- -	- - -	- -	87 1/4 - 7,000			
8	- - -	- -	- - -	- -	87 1/8 - 45,000			
9	- - -	- -	- - -	- -	87 1/2 - 50,000			
9	- - -	- -	- - -	- -	87 1/8 - 55,000			
10	- - -	- -	- - -	- -	90 1/8 - 21,000			
10	- - -	- -	- - -	- -	89 1/8 - 20,000			
10	- - -	- -	- - -	- -	88 3/8 - 20,000			
10	- - -	- -	- - -	- -	88 5/8 - 36,000			
10	- - -	- -	- - -	- -	87 1/4 - 5,000			
10	- - -	- -	- - -	- -	87 1/8 - 40,000			
11	- - -	- -	- - -	- -	90 5/8 - 60,000	- -	87 - 20,000	
12	5 s. dis. 40,000	- -	- - -	- -	90 1/2 - 60,000	- -	88 1/4 - 10,000	
13	- - -	- -	- - -	- -	87 1/8 - 100,000	- -	88 - 50,000	
Week ending - 13	- - 40,000	- -	- - -	- -	- 519,000	- -	- - 80,000	
October - 18	- - -	- -	- - -	- -	- - -	- -	89 1/4 - 30,000	
20	- - -	- -	- - -	- -	- - -	- -	- - -	-
Week ending - 20	- - -	- -	- - -	- -	- - -	- -	- - 30,000	-
October - 22	- - -	- -	- - -	- -	- - -	- -	89 1/4 - 20,000	
22	- - -	- -	- - -	- -	- - -	- -	88 3/8 - 7,000	
22	- - -	- -	- - -	- -	- - -	- -	88 1/4 - 10,000	
22	- - -	- -	- - -	- -	- - -	- -	87 - 20,000	
23	- - -	- -	- - -	- -	- - -	- -	89 1/8 - 20,000	
23	- - -	- -	- - -	- -	- - -	- -	88 3/8 - 53,000	
23	- - -	- -	- - -	- -	- - -	- -	88 - 30,000	
24	- - -	- -	- - -	- -	- - -	- -	- - -	
26	par - 13,000	- -	- - -	- -	- - -	- -	- - -	
27	par - 3,600							
Week ending - 27	- - 16,600	- -	- - -	- -	- - -	- -	- - 160,000	

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales—*continued.*

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		3 PER CENTS, 1726.		NEW SOUTH SEA ANNUITIES. SOUTH SEA ANNUITIES, 1751.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
								£.	

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		NEW 3 PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.		£.		£.		£.	
1855:—October - 29	par - 2,700							
30	par - 3,000							
31	- - -	- -	87 ¼ - 50,000					
November 2	- - -	- -	86 ⅞ - 40,000					
2	- - -	- -	87 ¼ - 50,000					
Week ending - 3	- - 5,700	- -	- - 140,000					
November 6	- - -	- -	86 ⅞ - 30,000					
7	- - -	- -	86 ⅞ - 30,000					
8	- - -	- -	87 - 20,000	- -	87 ¾ - 101,000			
10	- - -	- -	- - -	- -	- - -	- -	- - -	- -
Week ending - 10	- - -	- -	- - 80,000	- -	- - 101,000	- -	- - -	- -
November 26	7 s. dis. 11,000							
26	5 s. dis. 2,000							
26	4 s. dis. 600							
30	5 s. dis. 50,000							
Week ending Dec. 1	- - 63,600							
December 8	3 s. dis. 3,500	- -	- - -	- -	- - -	- -	89 ¼ - 5,000	
8	6 s. dis. 7,000	- -	- - -	- -	- - -	- -	89 ⅜ - 15,000	
Week ending - 8	- - 10,500	- -	- - -	- -	- - -	- -	- - 20,000	
December 20	6 s. dis. 50,000							
22	6 s. dis. 24,000							
Week ending 22	- - 74,000							
December 28	- - -	- -	- - -	- -	- - -	- -	- - -	- -
Week ending - 29	- - -	- -	- - -	- -	- - -	- -	- - -	- -
December 31	- - -	- -	88 ¼ - 100,000					
1856:—January - 2								
Week ending - 5	- - -	- -	- - 100,000					
January - 10	- - -	- -	89 ⅜ - 10,000	- -	88 ⅞ 100,000	- -	89 ¼ - 15,000	
12	5 s. dis. 20,000	- -	- - -	- -	88 ⅞ 100,000	- -	89 ⅜ - 15,000	
Week ending - 12	- - 20,000	- -	- - 10,000	- -	- - 200,000	- -	- - 30,000	

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales—*continued.*

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		3 PER CENTS, 1726.		NEW SOUTH SEA ANNUITIES. SOUTH SEA ANNUITIES, 1751.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
								£.	
- - -	- -	- - -	- - -	- -	- - -	- -	- - -	98 ¼ 25,000	
- - -	- -	- - -	- - -	- -	- - -	- -	- - -	- 25,000	
- - -	- -	- - -	- - -	- -	- - -	- -	- - -	98 10,000	
- - -	- -	- - -	- - -	- -	- - -	- -	- - -	- 10,000	
				CONSOL SCRIP.		EXCHEQUER FUNDING SCRIP.			

(*continued*)

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		NEW 3 PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.	£.			£.	£.		
1856:—Jan. 14	5s. dis. 20,000							
16	5s. dis. 7,000							
17	5s. dis. 5,000							
18	5s. dis. 20,000							
19	5s. dis. 100,000							
Week ending 19	- 152,000							
January 21	3s. dis. 14,000							
Week ending 26	- 14,000							
March - 24	par 4,700							
25	par 100,000	- - -	- - -	—	- - -	92¼ 114,000		
27	par 83,700	- - -	- - -	—	- - -	- - -	- - -	—
28	par 216,300	- - -	- - -	—	- - -	92⅝ 100,000		
28	- - -	- - -	- - -	—	- - -	92¾ 145,000		
29	- - -	- - -	- - -	—	- - -	92⅝ 50,000		
29	- - -	- - -	- - -	—	- - -	92¾ 35,000		
Week ending 29	- 444,700	- - -	- - -	—	- - -	- 444,000	- - -	—
April - 10	2s. dis. 46,000							
10	1s. dis. 24,000							
Week ending 12	- 70,000							
May - 8	- - -	- - -	- - -	—	93¼ 200,000	93⅛ 100,000		
Week ending 10	- - -	- - -	- - -	—	- 200,000	- 100,000		
May - 12	2s. dis. 5,500							
12	3s. dis. 15,000							
12	par 181,000							
13	4s. dis. 7,500							
13	par - 7,000							
15	7s. dis. 10,000							
Week ending 17	- 226,000							
May - 31	- - -	par 14,000						
31	- - -	3s. prm. 40,000						
Week ending 31	- - -	- 54,000						
June - 6	- - -	1s. dis. 21,000	- - -	—	- - -	94½ 50,000		
Week ending 7	- - -	- 21,000	- - -	—	- - -	- 50,000		

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales—*continued.*

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		CONSOL SCRIP.		EXCHEQUER FUNDING SCRIP.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
					£.		£.		
- -	- - -	- -	- - -	- -	2½ prm. 15,000	- -	2⅜ prm. 35,000		
- -	- - -	- -	- - -	- -	- - 15,000	- -	- - 35,000		

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		NEW 3 PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.	£.			£.	£.		
1856:—June - - 12	- - -	6*s.* prm. 109,000						
Week ending - 14	- - -	- - 109,000						
July - - 7	- - -	- - -	—	—	- - -	94 $\frac{3}{4}$ - 150,000		
7	- - -	- - -	—	—	- - -	93 $\frac{5}{8}$ - 50,000		
8	- - -	- - -	—	—	- - -	93 $\frac{5}{8}$ - 50,000		
9	- - -	- - -	—	—	- - -	94 $\frac{1}{8}$ - 80,000		
9	- - -	- - -	—	—	- - -	94 $\frac{1}{4}$ - 70,000		
9	- - -	- - -	—	—	- - -	93 $\frac{5}{8}$ - 30,000		
9	- - -	- - -	—	—	- - -	94 $\frac{3}{8}$ - 39,000		
10	- - -	- - -	—	—	- - -	94 $\frac{3}{4}$ - 100,000		
10	- - -	- - -	—	—	- - -	94 $\frac{5}{8}$ - 100,000		
10	- - -	- - -	—	—	- - -	94 $\frac{1}{4}$ - 120,000		
10	- - -	- - -	—	—	- - -	94 $\frac{3}{8}$ - 11,000		
Week ending - 12	- - -	- - -	—	—	- - -	- - 800,000		
July - - 31	- - -	18*s.* prm. 45,000						
August - 2	- - -	15*s.* prm. 5,000						
Week ending - 2	- - -	- - 50,000						
September 12	17*s.* prm. 15,000							
12	15*s.* prm. 133,000							
Week ending - 13	- - 148,000							
October - 1	8*s.* prm. 10,000							
2	8*s.* prm. 2,000							
2	7*s.* prm. 3,000							
3	7*s.* prm. 5,000	- - -	—	—	93 - 50,000			
4	7*s.* prm. 25,000							
Week ending - 4	- - 45,000	- - -	—	—	- - 50,000			
October - 7	6*s.* prm. 20,000	- - -	—	—	91 $\frac{1}{4}$ - 25,000			
7	- - -	- - -	—	—	91 $\frac{1}{8}$ - 75,000			
7	- - -	- - -	—	—	90 $\frac{3}{4}$ - 30,000			
8	5*s.* prm. 6,000	- - -	—	—	91 $\frac{1}{4}$ - 10,000			
8	- - -	- - -	—	—	91 $\frac{1}{8}$ - 125,000			
8	- - -	- - -	—	—	90 $\frac{7}{8}$ - 5,000			
8	- - -	- - -	—	—	90 $\frac{3}{4}$ - 27,000			
9	5*s.* prm. 10,000							
Week ending - 11	- - 36,000	- - -	—	—	- - 287,000			
October - 13	- - -	- - -	—	—	92 - 70,300			
16	2*s.* prm. 10,000							
18	3*s.* prm. 2,000							
Week ending - 18	- - 12,000	- - -	—	—	- - 70,300			
October - 20	3*s.* prm. 28,000	- - -	—	—	92 - 39,000			
21	3*s.* prm. 2,000							
24	3*s.* prm. 60,300							
25	3*s.* prm. 40,000							
Week ending - 25	- - 130,300	- - -	—	—	- - 39,000			

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales – *continued.*

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		CONSOL SCRIP.		EXCHEQUER FUNDING SCRIP.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		NEW 3 PER CENTS	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.		£.		£.	£.		
1856:—October - 29	3*s.* prm. 3,000							
Week ending Nov. 1	- - 3,000							
November 5	1*s.* prm. 1,500	–	- - -	–	93⅛ 100,000			
6					*c* 93 - 100,000	*c* 91⅞ 100,000		
7	- - -	–	91¾ 30,000					
7	- - -	–	91⅞ 25,000					
8	1*s.* prm. 900	–	91⅝ 45,000	–	92⅝ - 50,000			
Week ending - 8	- - 2,400	–	- 100,000	–	- - 250,000	- - 100,000		
November 10	par - 1,000							
11	- - -	–	- - -	–	92⅝ 70,000			
12	par - 2,000							
13	1*s.* dis. 16,000							
13	par - 1,200							
15	- - 50,000							
Week ending - 15	- - 70,200	–	- - -	–	- - 70,000			
November 17	1*s.* prm. 3,000							
Week ending - 22	- - 3,000							
December 17	6*s.* prm. 20,000							
Week ending - 20	- - 20,000							
December 27	1*s.* prm. 19,500							
Week ending - 27	- - 19,500							
1857:—January - 8	2*s.* prm. 4,000	–	- - -	–	- - -	94¼ - 50,000		
8	1*s.* prm. 14,000							
9	2*s.* prm. 29,000							
9	1*s.* prm. 13,000							
10	2*s.* prm. 500	–	- - -	–	- - -	94 - 50,000		
10	2*s.* prm. 5,000							
10	1*s.* prm. 10,000							
Week ending - 10	- - 75,500	–	- - -	–	- - -	- - 100,000		
January - 12	2*s.* prm. 2,200							
13	1*s.* prm. 1,000	–	- - -	–	- - -	93½ - 50,000		
14	1*s.* prm. 3,500							
15	1*s.* prm. 1,000							
16	1*s.* prm. 1,000							
17	1*s.* prm. 500							
Week ending - 17	- - 9,200	–	- - -	–	- - -	- - 50,000		
January - 20	1*s.* prm. 6,500							
21	1*s.* prm. 1,000							
22	1*s.* prm. 14,000							
23	1*s.* prm. 5,500	–	- - -	–	- - -	93⅝ - 50,000		
Week ending - 24	- - 27,000	–	- - -	–	- - -	- - 50,000		

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales—*continued.*

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		CONSOL SCRIP.		EXCHEQUER FUNDING SCRIP.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.

(*continued*)

RETURN of all Purchases and Sales of Public Stocks or Exchequer Bills severally made by the Bank

	EXCHEQUER BILLS.		REDUCED.		CONSOLS.		NEW 3 PER CENTS.	
	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.
	£.					£.		
1857:—January - 26	1 *s.* prm. 1,400							
31	par 12,500							
Week ending - 31	- - 13,900							
February - 3	1 *s.* prm. 62,000	–	- -	- - -	–	93 1/8 - 50,000		
4	1 *s.* prm. 19,000							
6	2 *s.* prm. 20,000							
6	1 *s.* prm. 6,000							
7	1 *s.* prm. 7,000							
7	2 *s.* prm. 10,000	–	- -	- - -	–	92 7/8 – 50,000		
Week ending - 7	- - 124,000	–	- -	- - -	–	- - 100,000		
February 10	2 *s.* prm. 14,800							
11	2 *s.* prm. 2,100							
13	2 *s.* prm. 10,700	–	- -	- - -	–	94 - 50,000		
13	3 *s.* prm. 20,000							
14	2 *s.* prm. 4,000							
14	1 *s.* prm. 20,000	–	- -	- - -	–	93 7/8 - 50,000		
Week ending - 14	- - 71,600	–	- -	- - -	–	- - 100,000		
February 20	2 *s.* prm. 15,100							
21	2 *s.* prm. 45,000	–	- -	- - -	–	93 3/4 - 50,000		
Week ending - 21	- - 60,100	–	- -	- - -	–	- - 50,000		
February 23	3 *s.* prm. 6,300	–	- -	- - -	–	93 3/4 - 50,000		
25	2 *s.* prm. 1,600							
Week ending - 28	- - 7,900	–	- -	- - -	–	- - 50,000		
March - 3	- - -	–	- -	- - -	–	93 7/8 - 50,000		
5	- - -	–	- -	- - -	–	93 5/8 - 50,000		
6	- - -	–	- -	- - -	–	93 1/2 - 50,000		
7	1 *s.* prm. 35,000							
Week ending - 7	- - 35,000	–	- -	- - -	–	- - 150,000		
March - 10	2 *s.* prm. 5,000	–	- -	- - -	–	93 3/8 - 25,000		
Week ending - 14	- - 5,000	–	- -	- - -	–	- - 25,000		
March - 16	1 *s.* prm. 1,800							
17	1 *s.* prm. 46,500							
18	1 *s.* prm. 1,000							
Week ending - 21	- - 49,300							
April - - 27	2 *s.* dis. 31,900							
Week ending May 2	- - 31,900							

Bank of England,
4 May 1857.

of *England* in each Week since the Year 1847, and the Rates of such Purchases and Sales—*continued.*

LONG ANNUITIES.		TERMS OF YEARS. APRIL AND OCTOBER.		CONSOL SCRIP.		EXCHEQUER FUNDING SCRIP.		EXCHEQUER BONDS.	
Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.	Sold.	Bought.

Appendix, No. 26.

Appendix, No. 26. AN ACCOUNT, showing the ADVANCES made on EXCHEQUER BILLS by the Bank of *England* for the Quarterly Charge of the Consolidated Fund, and the WEEKLY REPAYMENTS of the same, from April 1848 to the latest Period to which the same can be made up.—(In continuation of the Return, No. 11, in the Appendix to the Report of the Secret Committee on Commercial Distress, 1848.)

1848:	£.	s.	d.	1848:	£.	s.	d.
April - 6, Advanced	960,000	–	–	Received in the week ending—			
7, Ditto	170,000	–	–	15 April	150,000	–	–
15, Ditto	40,000	–	–	22 April	500,000	–	–
22, Ditto	35,000	–	–	29 April	250,000	–	–
29, Ditto	15,397	15	2	6 May	435,397	15	2
May - 5, Ditto	115,000	–	–	24 June	100,000	–	–
June - 23, Ditto	100,000	–	–				
£.	1,435,397	15	2	£.	1,435,397	15	2
July - 6, Advanced	955,000	–	–	Received in the week ending—			
7, Ditto	195,000	–	–	15 July	460,000	–	–
11, Ditto	45,000	–	–	22 July	400,000	–	–
15, Ditto	20,000	–	–	29 July	355,000	–	–
29, Ditto	60,000	–	–	5 August	156,279	14	7
August - 4, Ditto	96,279	14	7	23 September	100,000	–	–
September 16, Ditto	100,000	–	–				
£.	1,471,279	14	7	£.	1,471,279	14	7
October - 11, Advanced	1,036,000	–	–	Received in the week ending—			
12, Ditto	125,000	–	–	21 October	560,000	–	–
16, Ditto	100,000	–	–	28 October	450,007	1	10
21, Ditto	15,007	1	10	4 November	266,000	–	–
November 4, Ditto	85,000	–	–	11 November	85,000	–	–
25, Ditto	130,000	–	–	2 December	130,000	–	–
December 15, Ditto	71,000	–	–	16 December	71,000	–	–
£.	1,562,007	1	10	£.	1,562,007	1	10
1849:				**1849:**			
April - 7, Advanced	300,000	–	–	Received in the week ending—			
9, Ditto	100,000	–	–	21 April	450,000	–	–
14, Ditto	50,000	–	–	28 April	50,000	–	–
21, Ditto	50,000	–	–	5 May	55,028	3	2
28, Ditto	55,028	3	2	12 May	151,000	–	–
May - 5, Ditto	151,000	–	–	23 June	100,000	–	–
June - 16, Ditto	100,000	–	–				
£.	806,028	3	2	£.	806,028	3	2
July - 14, Advanced	150,000	–	–	Received in the week ending—			
21, Ditto	52,957	15	3	21 July	150,000	–	–
28, Ditto	70,000	–	–	28 July	52,957	15	3
August - 4, Ditto	92,000	–	–	4 August	70,000	–	–
September 28, Ditto	100,000	–	–	11 August	92,000	–	–
				29 September	100,000	–	–
£.	464,957	15	3	£.	464,957	15	3
1850:				**1850:**			
June - 7, Advanced £.	126,342	8	10	Received in the week ending—			
				8 June £.	126,342	8	10
1851:				**1851:**			
April - 12, Advanced	160,000	–	–	Received in the week ending—			
19, Ditto	10,000	–	–	19 April	160,000	–	–
26, Ditto	125,000	–	–	26 April	10,000	–	–
May - 3, Ditto	350,000	–	–	3 May	125,000	–	–
20, Ditto	36,868	13	7	10 May	350,000	–	–
June - 6, Ditto	300,000	–	–	31 May	36,868	13	7
				14 June	300,000	–	–
£.	981,868	13	7	£.	981,868	13	7
				Received in the week ending—			
August - 7, Advanced	334,122	17	11	9 August	334,122	17	11
September 4, Ditto	189,000	–	–	6 September	189,000	–	–
£.	523,122	17	11	£.	523,122	17	11

Account, showing the Advances made on Exchequer Bills by the Bank of England, &c.—*continued.*

Appendix, No. 26.

1852:	£.	s.	d.	1852:	£.	s.	d.
April - 6, Advanced - - -	1,000,000	–	–	Received in the week ending—			
10, Ditto - - -	50,000	–	–	10 April - - - - -	80,000	–	–
23, Ditto - - -	150,000	–	–	17 April - - - - -	910,000	–	–
30, Ditto - - -	100,000	–	–	24 April - - - - -	210,000	–	–
May - 7, Ditto - - -	359,244	9	4	1 May - - - - -	100,000	–	–
June - 5, Ditto - - -	300,000	–	–	8 May - - - - -	359,244	9	4
				7 June - - - - -	300,000	–	–
£.	1,959,244	9	4	£.	1,959,244	9	4
July - 6, Advanced - - -	900,000	–	–	Received in the week ending—			
				10 July - - - - -	80,000	–	–
10, Ditto - - -	60,000	–	–	10 July, sold to the Commissioners for Reduction of National Debt	540,000	–	–
17, Ditto - - -	195,070	19	9				
				17 July, received - - -	340,000	–	–
August 5, Ditto - - -	200,000	–	–	24 July - - - - -	195,070	19	9
				7 August - - - - -	200,000	–	–
£.	1,355,070	19	9	£.	1,355,070	19	9

1853:				1853:			
April - 6, Advanced - - -	300,000	–	–	Received in the week ending—			
9, Ditto - - -	150,000	–	–	16 April - - - - -	550,000	–	–
15, Ditto - - -	100,000	–	–	23 April - - - - -	300,000	–	–
22, Ditto - - -	300,000	–	–	7 May - - - - -	357,812	7	11
May - 5, Ditto - - -	357,812	7	11	4 June - - - - -	200,000	–	–
June - 3, Ditto - - -	200,000	–	–				
£.	1,407,812	7	11	£.	1,407,812	7	11
July - 6, Advanced - - -	2,200,000	–	–	Sold to the Commissioners for the Reduction of National Debt, 9 July - -	610,000	–	–
7, Ditto - - -	610,000	–	–				
				Received in the week ending—			
22, Ditto - - -	275,000	–	–	9 July - - - - -	730,000	–	–
				16 July - - - - -	740,000	–	–
August 4, Ditto - - -	120,557	15	4	23 July - - - - -	495,000	–	–
				30 July - - - - -	200,000	–	–
				6 August - - - - -	430,557	15	4
£.	3,205,557	15	4	£.	3,205,557	15	4
October 11, Advanced - - -	1,750,000	–	–	Sold to the Commissioners for the Reduction of National Debt, 15 October -	890,000	–	–
15, Ditto - - -	60,000	–	–				
21, Ditto - - -	15,000	–	–	Received in the week ending—			
November 11, Ditto - - -	324,184	8	9	15 October - - - -	100,000	–	–
December 30, Ditto - - -	75,000	–	–	22 October - - - -	835,000	–	–
				12 November - - - -	324,184	8	9
				31 December - - - -	75,000	–	–
£.	2,224,184	8	9	£.	2,224,184	8	9

1854:				1854:			
January 6, Advanced - - -	3,301,855	17	11	Sold to the Commissioners for the Reduction of National Debt, 7 January -	811,855	17	11
16, Ditto - - -	180,000	–	–				
				Received in the week ending—			
February 6, Ditto - - -	90,000	–	–	14 January - - - -	720,000	–	–
17, Ditto - - -	64,345	10	10	21 January - - - -	510,000	–	–
				28 January - - - -	195,000	–	–
April - 4, Ditto - - -	75,000	–	–	4 February, sold to the Commissioners - - - -	400,000	–	–
				4 February, received - - -	295,000	–	–
				11 February, sold to the Commissioners - - - -	50,000	–	–
				11 February, received - - -	590,000	–	–
				18 February - - - -	64,345	10	10
				8 April - - - - -	75,000	–	–
£.	3,711,201	8	9	£.	3,711,201	8	9

Appendix, No. 26.

Account, showing the Advances made on Exchequer Bills by the Bank of England, &c.—*continued.*

1854—*continued.*		£.	s.	d.	1854—*continued.*	£.	s.	d.
April	7, Advanced	3,571,876	3	7	Sold to the Commissioners for the Reduction of National Debt, 8 April	1,013,876	3	7
	10, Ditto	500,000	–	–				
	11, Ditto	150,000	–	–	Received in the week ending—			
	13, Ditto	185,000	–	–	15 April	750,000	–	–
	15, Ditto	260,000	–	–	22 April	630,000	–	–
	17, Ditto	25,000	–	–	29 April	200,000	–	–
	18, Ditto	115,000	–	–	6 May	500,000	–	–
	19, Ditto	100,000	–	–	13 May	350,000	–	–
	20, Ditto	70,000	–	–	20 May	1,100,000	–	–
	21, Ditto	100,000	–	–	27 May	650,000	–	–
	24, Ditto	100,000	–	–	10 June	550,000	–	–
	27, Ditto	100,000	–	–	17 June	33,000	–	–
	29, Ditto	100,000	–	–	8 July	75,171	17	6
May	3, Ditto	100,000	–	–				
	6, Ditto	85,000	–	–				
	27, Ditto	100,000	–	–				
June	6, Ditto	115,000	–	–				
July	1, Ditto	75,171	17	6				
	£.	5,852,048	1	1	£.	5,852,048	1	1
July	6, Advanced	3,572,196	3	8	Sold to the Commissioners for the Reduction of National Debt, 8 July 1854	881,196	3	8
	8, Ditto	51,000	–	–				
	15, Ditto	40,000	–	–	Received in the week ending—			
	21, Ditto	55,000	–	–	15 July	840,000	–	–
	22, Ditto	65,000	–	–	22 July, sold to the Commissioners	200,000	–	–
August	5, Ditto	85,000	–	–	22 July, received	580,000	–	–
	19, Ditto	62,093	14	1	29 July	35,000	–	–
	31, Ditto	24,000	–	–	5 August	500,000	–	–
October	5, Ditto	75,000	–	–	12 August	832,000	–	–
					26 August	62,093	14	1
					2 September	24,000	–	–
					7 October	75,000	–	–
	£.	4,029,289	17	9	£.	4,029,289	17	9
October	14, Advanced	260,000	–	–	Received in the week ending—			
	16, Ditto	100,000	–	–	21 October	760,000	–	–
	17, Ditto	200,000	–	–	28 October	596,000	–	–
	18, Ditto	100,000	–	–	4 November	250,000	–	–
	19, Ditto	100,000	–	–	11 November, sold to the Commissioners for Reduction of the National Debt	264,669	12	11
	21, Ditto	155,000	–	–				
	23, Ditto	100,000	–	–	11 November, received	471,000	–	–
	24, Ditto	150,000	–	–	2 December	75,000	–	–
	26, Ditto	155,000	–	–	16 December	41,000	–	–
	27, Ditto	36,000	–	–				
	28, Ditto	100,000	–	–				
	31, Ditto	50,000	–	–				
November	2, Ditto	100,000	–	–				
	4, Ditto	150,000	–	–				
	7, Ditto	106,000	–	–				
	9, Ditto	92,000	–	–				
	10, Ditto	387,669	12	11				
	30, Ditto	75,000	–	–				
December	9, Ditto	41,000	–	–				
1855:					**1855:**			
January	4, Advanced	2,912	7	1	6 January	2,912	7	1
	£.	2,460,582	–	–	£.	2,460,582	–	–
January	10, Advanced	285,000	–	–	Received in the week ending—			
	13, Ditto	160,000	–	–	13 January	235,000	–	–
	16, Ditto	100,000	–	–	20 January	310,000	–	–
	18, Ditto	115,000	–	–	27 January	280,000	–	–
	22, Ditto	100,000	–	–	3 February	155,000	–	–
	25, Ditto	65,000	–	–	10 February	295,000	–	–
	30, Ditto	155,000	–	–	17 February	160,000	–	–
February	3, Ditto	10,000	–	–	10 March	84,534	16	9
	6, Ditto	285,000	–	–				
	10, Ditto	30,000	–	–				
	13, Ditto	130,000	–	–				
March	3, Ditto	84,534	16	9				
	£.	1,519,534	16	9	£.	1,519,534	16	9

ACCOUNT, showing the Advances made on Exchequer Bills by the Bank of England, &c.—*continued.*

Appendix, No. 26.

1855—*continued.*		£.	s.	d.
April 7,	Advanced	1,270,000	–	–
10,	Ditto	500,000	–	–
12,	Ditto	375,000	–	–
13,	Ditto	100,000	–	–
16,	Ditto	210,000	–	–
17,	Ditto	100,000	–	–
18,	Ditto	100,000	–	–
19,	Ditto	115,000	–	–
20,	Ditto	100,000	–	–
23,	Ditto	100,000	–	–
28,	Ditto	140,000	–	–
30,	Ditto	200,000	–	–
May 7,	Ditto	80,000	–	–
June 21,	Ditto	77,094	4	6
	£.	3,467,094	4	6

1855—*continued.*	£.	s.	d.
Received in the week ending—			
28 April	500,000	–	–
5 May	200,000	–	–
12 May	2,300,000	–	–
19 May	390,000	–	–
23 June	77,094	4	6
£.	3,467,094	4	6

July 6,	Advanced	750,000	–	–
9,	Ditto	800,000	–	–
10,	Ditto	700,000	–	–
11,	Ditto	140,000	–	–
17,	Ditto	225,000	–	–
21,	Ditto	100,000	–	–
25,	Ditto	100,000	–	–
28,	Ditto	135,000	–	–
31,	Ditto	186,592	12	3
August 4,	Ditto	85,000	–	–
16,	Ditto	84,840	16	1
£.		3,306,433	8	4

	£.	s.	d.
Sold to the Commissioners for the Reduction of National Debt, 14 July	700,000	–	–
Received in the week ending—			
14 July	850,000	–	–
21 July, sold to the Commissioners	150,000	–	–
21 July, received	940,000	–	–
28 July, sold to the Commissioners	100,000	–	–
28 July, received	75,000	–	–
4 August	406,592	12	3
18 August	84,840	16	1
£.	3,306,433	8	4

October 20,	Advanced	150,000	–	–
27,	Ditto	15,000	–	–
November 3,	Ditto	520,000	–	–
10,	Ditto	90,000	–	–
23,	Ditto	78,442	16	5
£.		853,442	16	5

	£.	s.	d.
Received in the week ending—			
20 October	150,000	–	–
27 October	15,000	–	–
3 November	520,000	–	–
10 November	90,000	–	–
24 November	78,442	16	5
£.	853,442	16	5

1856:				
January 7,	Advanced	2,000,000	–	–
8,	Ditto	250,000	–	–
9,	Ditto	300,000	–	–
10,	Ditto	250,000	–	–
16,	Ditto	250,000	–	–
17,	Ditto	200,000	–	–
19,	Ditto	20,000	–	–
24,	Ditto	230,000	–	–
30,	Ditto	200,000	–	–
February 9,	Ditto	80,000	–	–
23,	Ditto	15,000	–	–
March 13,	Ditto	84,749	12	11
£.		3,879,749	12	11

1856:	£.	s.	d.
Received in the week ending—			
26 January	1,800,000	–	–
2 February	750,000	–	–
9 February	750,000	–	–
1 March	495,000	–	–
15 March	84,749	12	11
£.	3,879,749	12	11

April 7,	Advanced	580,000	–	–
9,	Ditto	550,000	–	–
10,	Ditto	280,000	–	–
14,	Ditto	150,000	–	–
17,	Ditto	150,000	–	–
19,	Ditto	100,000	–	–
21,	Ditto	100,000	–	–
23,	Ditto	150,000	–	–
29,	Ditto	300,000	–	–
May 3,	Ditto	85,000	–	–
17,	Ditto	45,000	–	–
31,	Ditto	75,000	–	–
June 7,	Ditto	1,000	–	–
19,	Ditto	3,109	4	4
£.		2,569,109	4	4

	£.	s.	d.
Received in the week ending—			
10 May	1,000,000	–	–
7 June	1,000,000	–	–
14 June	566,000	–	–
21 June	3,109	4	4
£.	2,569,109	4	4

Appendix, No. 26.

Account, shewing the Advances made on Exchequer Bills by the Bank of England, &c.—*continued.*

1856—*continued.*		£.	s.	d.	1856—*continued.*	£.	s.	d.
July 7,	Advanced	1,280,000	–	–	Received in the week ending—			
9,	Ditto	555,000	–	–	26 July	1,300,000	–	–
10,	Ditto	265,000	–	–	2 August	1,600,000	–	–
12,	Ditto	150,000	–	–	9 August	600,000	–	–
14,	Ditto	175,000	–	–	30 August	84,645	4	10
16,	Ditto	215,000	–	–				
18,	Ditto	200,000	–	–				
23,	Ditto	215,000	–	–				
August 1,	Ditto	320,000	–	–				
9,	Ditto	125,000	–	–				
29,	Ditto	84,645	4	10				
	£.	3,584,645	4	10	£.	3,584,645	4	10
					Received in the week ending—			
November 1,	Advanced	335,000	–	–	1 November	335,000	–	–
8,	Ditto	85,000	–	–	8 November	85,000	–	–
15,	Ditto	80,333	–	7	15 November	80,333	–	7
	£.	500,333	–	7	£.	500,333	–	7
1857:					1857:			
					Received in the week ending—			
January 17,	Advanced	250,000	–	–	17 January	250,000	–	–
24,	Ditto	330,000	–	–	24 January	330,000	–	–
30,	Ditto	310,000	–	–	31 January	310,000	–	–
February 7,	Ditto	95,000	–	–	7 February	95,000	–	–
	£.	985,000	–	–	£.	985,000	–	–

Bank of England,
27 February 1857.

Will^m Smee,
Chief Acc^t.

Appendix, No. 27.

A RETURN of the Amount advanced for TEMPORARY LOANS upon EXCHEQUER BILLS, BILLS of EXCHANGE, INDIA BONDS, &c., in each Quarter, and the Rate of Interest paid thereon (in continuation of Appendix, No. 9, to the Report of the Select Committee on Commercial Distress, 1848). Appendix, No. 27.

YEAR.	Quarter ending	Amount Advanced.	Rate of Interest.
		£.	
1848	5 April	1,244,787	At 3 to 5½ per cent.
	5 July	520,146	2 to 5 „
	10 October	843,436	3 to 5 „
1849	5 January	292,230	3 to 4 „
	5 April	1,182,471	2½ to 4 „
	5 July	275,200	2½ to 3¼ „
	10 October	2,583,578	2½ and 3 „
1850	5 January	2,156,200	2 to 3 „
	5 April	2,925,853	2 to 2¾ „
	5 July	2,346,900	2 to 3 „
	10 October	4,031,599	2 to 3½ „
1851	5 January	3,446,427	2½ to 4 „
	5 April	2,996,100	2½ to 4 „
	5 July	3,180,658	3 to 4 „
	10 October	2,202,031	3¼ and 3½ „
1852	5 January	1,501,574	2 to 3½ „
	5 April	460,413	2 and 2½ „
	5 July	1,146,000	1½ and 2 „
	10 October	1,481,400	1½ to 3 „
1853	5 January	3,717,900	2 and 2½ „
	5 April	3,498,100	2½ and 3 „
	5 July	2,622,500	3 to 2½ „
	10 October	2,950,400	5 to 3½ „
1854	5 January	2,359,900	5 and 4½ „
	5 April	1,756,300	5 and 4½ „
	5 July	2,524,800	5 to 5½ „
	10 October	3,155,075	4 to 5½ „
1855	5 January	2,247,000	4½ to 5 „
	5 April	304,400	4½ to 5 „
	5 July	1,116,392	3 to 5 „
	10 October	2,868,018	3 to 5½ „
1856	5 January	3,608,125	5½ to 7 „
	5 April	7,477,907	6 and 7 „
	5 July	7,195,010	4½ to 7 „
	10 October	8,949,890	4 and 4½ „
1857	5 January	6,634,700	4 to 7 „

Bank of England,
8 March 1857.

M. Marshall,
Chief Cashier.

Appendix, No. 28.

Appendix, No. 28.

A RETURN of the Highest and Lowest RATE of INTEREST charged by the BANK of ENGLAND on all LOANS or DISCOUNTS in each Month, from 1st January 1848 to 31st December 1856, distinguishing Loans on Security of Real Estate, Loans on Stock or Public Securities, and the Discount of Commercial Paper (in continuation of Appendix, No. 13, to the Report from the Select Committee on Commercial Distress, 1848).

DATE.	Real Estate.		Stock or Public Securities.		Other Securities.		Discount of Commercial Paper.	
	Highest Rate.	Lowest Rate.	Highest Rate.	Lowest Rate.	Highest Rate.	Lowest Rate.	Highest Rate.	Lowest Rate.
1848:	£.	£.	£.	£.	£.	£.	£.	£.
January	nil	nil	5	5	5 ½	4	6	4
February	,,	,,	4	3	4 ¼	,,	5	,,
March	,,	,,	,,	4	4 ½	,,	,,	,,
April	,,	,,	nil	nil	5	,,	,,	,,
May	,,	,,	4	4	4 ¼	2	,,	,,
June	,,	,,	2 ½	2	3 ¼	3	,,	3 ½
July	,,	,,	3	3	5	3 ¼	,,	,,
August	,,	,,	,,	,,	4	3	,,	,,
September	,,	,,	,,	,,	3 ½	,,	,,	,,
October	,,	,,	3 ½	,,	4	,,	,,	,,
November	,,	,,	3	,,	,,	,,	,,	3
December	,,	,,	,,	,,	3	,,	,,	,,
1849:								
January	,,	,,	nil	nil	3 ½	,,	,,	,,
February	,,	,,	2 ½	2 ½	,,	2 ½	,,	,,
March	,,	,,	4	,,	,,	,,	,,	,,
April	,,	,,	2 ½	,,	3	,,	,,	,,
May	,,	,,	nil	nil	3 ¼	3	,,	,,
June	,,	,,	2 ½	2 ½	,,	2 ½	,,	,,
July	,,	,,	nil	nil	,,	3	,,	,,
August	,,	,,	2 ½	2 ½	3	,,	,,	,,
September	,,	,,	,,	,,	,,	,,	,,	,,
October	,,	,,	,,	,,	,,	2 ¼	,,	,,
November	,,	,,	,,	,,	,,	,,	4 ½	2 ½
December	,,	,,	2	2	,,	2	5	,,
1850:								
January	,,	,,	2 ½	,,	2 ¾	,,	,,	,,
February	,,	,,	,,	,,	2 ½	2 ½	,,	,,
March	,,	,,	2	,,	,,	2	,,	,,
April	,,	,,	2 ½	,,	,,	,,	,,	,,
May	,,	,,	,,	,,	3	,,	4	,,
June	,,	,,	2	,,	2 ½	,,	3 ½	,,
July	,,	,,	2 ½	,,	3 ½	,,	,,	,,
August	,,	,,	,,	,,	2 ½	,,	,,	,,
September	,,	,,	2	,,	,,	,,	4	,,
October	,,	,,	,,	,,	4	,,	3 ½	,,
November	,,	,,	2 ½	2 ½	2 ½	2 ½	4	,,
December	,,	,,	,,	,,	3 ½	,,	,,	,,
1851:								
January	,,	,,	3	2 ½	3	3	4	3
February	,,	,,	,,	,,	,,	2 ½	,,	,,
March	,,	,,	2 ½	,,	4	,,	,,	,,
April	,,	,,	3	,,	3	3	,,	,,
May	,,	,,	,,	3	3 ½	,,	,,	,,
June	,,	,,	,,	,,	4	,,	,,	,,
July	,,	,,	,,	,,	3 ½	,,	,,	,,
August	,,	,,	,,	,,	,,	,,	,,	,,
September	,,	,,	,,	,,	3 ¼	,,	,,	,,
October	,,	,,	,,	,,	,,	,,	,,	,,
November	,,	,,	,,	2 ½	3	,,	,,	,,
December	,,	,,	2 ½	2	,,	2	,,	,,

Appendix, No. 28.

DATE.	Real Estate.		Stock or Public Securities.		Other Securities.		Discount of Commercial Paper.	
	Highest Rate.	Lowest Rate.	Highest Rate.	Lowest Rate.	Highest Rate.	Lowest Rate.	Highest Rate.	Lowest Rate.
1852:	£.	£.	£.	£.	£.	£.	£.	£.
January	nil	nil	2	"	2 ½	"	3 ½	2 ½
February	"	"	"	"	"	2 ½	3	"
March	"	"	"	"	"	2	"	"
April	"	"	nil	nil	"	"	"	2
May	"	"	2	2	"	"	"	"
June	"	"	1 ½	1 ½	2	1 ½	"	"
July	"	"	2	"	3	"	"	"
August	"	"	"	2	2	"	"	"
September	"	"	1 ½	1 ½	2 ½	"	"	"
October	"	"	"	"	2	"	"	"
November	"	"	2 ½	"	"	"	"	"
December	"	"	2	"	"	"	"	"
1853:								
January	"	"	2 ½	"	3	2 ½	4	2
February	"	"	3	3	"	3	"	3
March	"	"	"	"	"	"	"	"
April	"	"	"	"	"	"	"	"
May	"	"	"	"	"	"	3 ½	"
June	"	"	"	"	3 ½	"	4 ½	"
July	"	"	3 ½	3 ½	"	3 ½	"	3 ½
August	"	"	"	"	4	"	"	"
September	"	"	4	4	5	4	5 ½	"
October	"	"	5	5	"	5	6	5
November	"	"	"	"	"	"	"	"
December	"	"	"	4 ½	"	4 ½	5 ½	"
1854:								
January	"	"	"	"	"	5	"	"
February	"	"	"	5	"	"	"	"
March	"	"	"	4 ½	"	4 ½	"	"
April	"	"	"	5	"	5	"	"
May	"	"	nil	nil	5 ½	"	6	"
June	"	"	5 ½	5	"	"	6 ½	5 ½
July	"	"	5	4	"	5 ½	6	"
August	"	"	5	4	5	5	5 ¾	5
September	"	"	4 ½	"	"	"	5 ½	"
October	"	"	5	4 ½	"	"	"	"
November	"	"	"	5	"	"	"	"
December	"	"	4 ½	4 ½	"	"	"	"
1855:								
January	"	"	5	"	"	"	"	"
February	"	"	"	5	"	"	"	"
March	"	"	4 ½	4 ½	"	4 ½	"	"
April	"	"	"	"	4 ½	"	5	4 ½
May	"	"	4	4	"	"	"	4
June	"	"	"	3	5	3	4 ½	3 ½
July	"	"	3 ½	3 ½	3 ½	3 ½	4	"
August	"	"	"	"	"	"	"	"
September	"	"	4 ½	3	4 ½	3	5 ½	"
October	"	"	6	4 ½	6	5	7 ½	5
November	"	"	"	6	7	6	"	6
December	"	"	"	"	"	"	"	"
1856:								
January	"	"	"	"	"	"	8	"
February	"	"	"	"	"	"	7 ½	"
March	"	"	"	"	"	"	"	"
April	"	"	"	"	"	"	8	"
May	"	"	"	5	"	5	7 ½	5
June	"	"	5	4 ½	5	4 ½	5 ½	4 ½
July	"	"	4 ½	4	4 ½	"	4 ¾	"
August	"	"	"	"	"	"	5	"
September	"	"	"	4 ½	"	"	5 ½	"
October	"	"	6	5	7	"	8	"
November	"	"	7	6	"	6	"	5 ½
December	"	"	"	"	"	"	7	6

Bank of England, 8 March 1857.

M. Marshall, Chief Cashier.

Appendix, No. 29.

Appendix, No. 25, to Report from Select Committee on Commercial Distress, 1848.

Appendix, No. 29.

RETURN of all LOANS to CANAL, DOCK, or other such PUBLIC COMPANIES, or on the Deposit of the SECURITIES of such COMPANIES; stating the RATE of INTEREST charged on each Call of Loan; from the 1st January 1832 to 1847.

YEAR.	Amount under Advance.	Rate of Interest.	YEAR.	Amount under Advance.	Rate of Interest.
	£.			£.	
1832	227,500	3½ per cent.	1842	46,000	3¾ per cent.
1833	227,500	3½ „	„	882,460	4 „
1834	227,500	3½ „	1843	46,000	3¾ „
1835	227,500	3½ „	„	1,122,765	4 „
„	27,665	4 „	1844	46,000	3¾ „
1836	506,450	3½ „	„	1,122,765	4 „
„	164,665	4 „	1845 January to April	46,000	3¾ „
1837	178,665	4 „	„ „	1,122,765	4 „
„	506,450	4½ „	1845, April to July	46,000	3¾ „
1838	506,450	3½ „	„ „	439,000	3½ „
„	46,000	3¾ „	„ „	629,265	4 „
„	178,665	4 „	1845 July to December	46,000	3¾ „
1839	506,450	3½ to 15 August; from thence 5.	„ „	389,000	3½ „
„	46,000	3¾ per cent.	„ „	629,265	4 „
„	178,665	4 „	1846	289,000	3½ „
1840	46,000	3¾ „	„	654,565	4 „
„	701,165	4 „	1847	289,000	3½ „
1841	46,000	3¾ „	„	625,815	4 „
„	672,165	4 „			

Bank of England, 26 January 1848.

M. Marshall, Chief Cashier.

A RETURN of all LOANS to CANAL, DOCK, or other such PUBLIC COMPANIES, or on the Deposit of SECURITIES of such COMPANIES; stating the RATE of INTEREST charged (in continuation of Appendix, No. 36, to the Report of the Select Committee on Commercial Distress, 1848).

YEAR.	Amount under Advance.	Rate of Interest.	YEAR.	Amount under Advance.	Rate of Interest.
	£.			£.	
1848	602,065	4 per cent.	1854	50,000	3½ per cent.
1849	607,965	4 „		877,515	4 „
1850	798,400	4 „		165,000	4½ „
1851	777,515	4 „		150,000	5 „
1852	50,000	3½ „	1855	1,023,862	4 „
	877,515	4 „		255,000	4½ „
	52,218	4½ „		200,000	4¾ „
1853	50,000	3½ „	1856	1,023,862	4 „
	877,515	4 „		255,000	4½ „
	152,218	4½ „		200,000	4¾ „

Bank of England, 4 June 1857.

M. Marshall, Chief Cashier.

Appendix, No. 30.

Appendix, No. 35, to the Report from the Select Committee on Commercial Distress, 1848.

Appendix, No. 30.

RETURN of all Loans to Railroad Companies, or on the Deposit of Railroad Stock or Bonds, also of the Purchase of any such Stock or Bonds, stating the Rate of Interest charged in each Case of Loan, from the Period of the first Transaction of this Description to 10 August 1846.

	RAILROAD DEBENTURES PURCHASED.		RAILROAD DEBENTURES PURCHASED.
	£.		£.
1842: April - 20 - -	25,000	1844: September 17 - -	50,000
April - 30 - -	100,000	October 15 - -	65,000
November 25 - -	50,000	November 8 - -	10,000
1843: January 10 - -	300,000	1845: February 1 - -	50,000
July - 27 - -	5,000	February 8 - -	10,000
July - 29 - -	3,000	May - 31 - -	380,000
August 12 - -	60,000	July - 2 - -	30,000
September 30 - -	67,800	July - 12 - -	30,000
October 31 - -	4,000	July - 18 - -	75,300
		September 22 - -	5,000
1844: February 26 - -	100,000		
June - 15 - -	100,000	1846: June - 20 - -	35,400
July - 15 - -	300,000	July - 8 - -	100,000
July - 25 - -	100,000	July - 16 - -	103,000
August 15 - -	50,000	August 10 - -	200,000

N.B.—No Loans have been made by the Bank to Railroad Companies, or on the Deposit of Railroad Stock or Bonds.

Bank of England, 7 January 1848.

M. Marshall, Chief Cashier.

A RETURN of all Railroad Debentures Purchased by the *Bank of England* from the Year 1848 to 1856 inclusive (in continuation of Appendix, No. 35, to the Report from the Select Committee on Commercial Distress, 1848).

	RAILROAD DEBENTURES PURCHASED.		RAILROAD DEBENTURES PURCHASED.
	£.		£.
1848: January 25 - -	100,000	1849: January 16 - -	200,000
January 26 - -	100,000	March - 1 - -	350,000
January 31 - -	13,000	March - 3 - -	100,000
February 1 - -	13,000	May - 2 - -	60,000
February 2 - -	50,000	August 15 - -	100,000
February 3 - -	50,000		
February 10 - -	150,000	1850: February 6 - -	50,000
March - 29 - -	100,000	February 26 - -	100,000
April - 3 - -	100,000	May - 18 - -	100,000
April - 4 - -	100,000	June - 26 - -	60,000
April - 15 - -	50,000	October 22 - -	100,000
April - 29 - -	100,000		
June - 19 - -	80,000	1851: February 1 - -	2,700
September 15 - -	100,000	June - 24 - -	32,500
September 30 - -	50,000	September 22 - -	100,000

Appendix, No. 30.

	RAILROAD DEBENTURES PURCHASED.		RAILROAD DEBENTURES PURCHASED.
	£.		£.
1851: October 31	100,000	1853: May 12	50,000
December 26	100,000	July 15	200,000
		August 23	100,000
1852: January 15	150,000		
February 11	45,000	1854: February 3	60,000
February 20	30,000	February 15	50,000
February 27	3,000	February 24	100,000
March 3	200,000	August 18	50,000
March 5	100,000	August 24	50,000
March 10	50,000	September 15	50,000
March 11	100,000	December 20	15,000
March 19	100,000		
March 29	30,000	1855: January 5	50,000
March 31	1,000	March 1	10,000
April 10	10,500	April 5	40,000
May 15	50,000	May 17	10,000
July 1	100,000	May 18	50,000
August 2	25,000	May 31	100,000
August 16	20,000	June 13	10,000
November 2	25,000	June 14	10,500
November 16	6,000	July 12	28,500
November 24	100,000	July 14	70,000
December 4	50,000	July 16	51,000
December 9	40,000	July 20	20,000
		July 24	50,000
1853: January 1	100,000		
January 20	100,000	1856: June 27	150,000
March 29	100,000	June 30	40,000
April 4	100,000	July 1	100,000
April 23	50,000	August 30	100,000

Bank of England,
4 June 1857.

M. Marshall,
Chief Cashier.

APPENDIX, No. 31.

A MONTHLY STATEMENT of the GOLD COIN sent to and received from the BRANCHES of the BANK of ENGLAND, from the 1st January 1848 to the 31st December 1856 (in continuation of Appendix, No. 20, to the Report from the Select Committee on Commercial Distress, 1848).

	GOLD COIN SENT TO THE BRANCHES.										GOLD COIN RECEIVED FROM THE BRANCHES.								
	1848.	1849.	1850.	1851.	1852.	1853.	1854.	1855.	1856.		1848.	1849.	1850.	1851.	1852.	1853.	1854.	1855.	1856.
	£.	£.	£.	£.	£.	£.	£.	£.	£.		£.	£.	£.	£.	£.	£.	£.	£.	£.
January -	- -	10,000	85,000	14,000	270,000	27,000	20,000	401,000	126,000	January -	200,000	- -	- -	40,000	- -	220,000	—	—	—
February -	20,000	20,000	50,000	135,000	25,000	223,000	30,000	- -	50,000	February -	300,000	375,000	- -	- -	40,000	—	—	—	—
March -	- -	30,000	50,000	15,000	150,000	250,000	70,000	45,000	130,000	March -	- -	250,000	30,000	- -	27,000	- -	- -	200,000	—
April -	68,000	50,000	160,000	190,000	64,000	448,000	320,000	- -	215,000	April -	- -	100,000	—	—	—	—	—	—	—
May -	- -	150,000	155,000	80,000	200,000	680,000	155,000	130,000	56,000	May - -	—	—	—	—	—	—	—	—	—
June -	110,000	185,000	241,000	145,000	204,000	175,000	120,000	50,000	100,000	June - -	- -	- -	- -	- -	24,349	—	—	—	—
July -	70,000	25,000	60,000	160,000	288,000	118,000	100,000	120,000	280,000	July - -	—	—	—	—	—	—	—	—	—
August -	150,000	180,000	115,000	365,000	300,000	344,000	130,000	230,000	226,000	August -	—	—	—	—	—	—	—	—	—
September	60,000	90,000	205,000	346,000	368,000	335,000	536,000	440,000	240,000	September	—	—	—	—	—	—	—	—	—
October -	130,000	255,000	70,000	360,000	523,000	870,000	420,000	460,000	173,000	October -	- -	100,000	—	—	—	—	—	—	—
November	40,000	- -	105,000	280,000	373,000	400,000	355,000	380,000	220,000	November	—	—	—	—	—	—	—	—	—
December	50,000	15,000	100,000	150,000	410,000	150,000	- -	255,000	65,000	December -	148,000	50,000	50,000	—	—	—	—	—	—
£.	698,000	1,010,000	1,486,000	2,240,000	3,175,000	4,020,000	2,256,000	2,511,000	1,881,000	£.	648,000	875,000	80,000	40,000	91,349	220,000	- -	200,000	—

Bank of England,
6 March 1857.

M. Marshall, Chief Cashier.

Appendix, No. 32.

TABLE (A.)—Showing the Amount of Bullion in the Bank of *England*, the Market Rate of Discount for good Bills of Exchange, and the Prices of Fifteen of the Principal Articles of Commerce at the Beginning of the Months of March, June, September, and December, from March 1834 to December 1843.

DATE.	Bullion in the Bank of England.	Rate of Discount p' cent.	Cotton, per lb.	Cotton Yarn, per lb.	Cotton Cloth, per piece.	Wool, per lb.	Woollen Cloth, per yard.	Flax, p' ton.	Linen p'yard.	Indigo, per lb.	Iron Bars, p' ton.	Tin Plates, p' box.	Copper, per lb.	Tallow, p' cwt.	Sugar, p' cwt.	Coffee, p' cwt.	Silk. per lb.
			d.	*d.*	*s. d.*	*s. d.*	*s. d.*	£.	*d.*	*s. d.*	£. *s.*	*s. d.*	*d.*	*s. d.*	*s. d.*	*s.*	*s. d.*
1834: March	9,104,000	2 3/4	8 3/4	15	9 6	3 3	6 –	52	20 1/4	6 6	7 10	31 6	11	44 –	30 4	99	22 –
June -	8,773,000	3 1/4	8 1/4	15 1/2	10 –	3 –	5 9	52	20 1/4	5 9	7 10	34 6	11	42 –	37 –	77	23 –
Sept. -	7,071,000	4	8 1/2	16 1/4	10 3	3 –	5 8	52	20 1/4	5 9	6 15	34 6	11	43 6	29 1	92	23 –
Dec. -	6,860,000	4	10 1/4	16 1/4	10 3	2 9	5 8	62	20 1/4	6 6	6 10	34 –	11	41 –	30 6	100	23 –
1835: March	6,274,000	3 3/4	10	16 1/2	11 3	2 7	5 8	64	20 1/2	6 3	6 15	31 6	10 1/2	37 –	29 4	105	23 –
June -	6,354,000	4	11	18	11 3	2 7	5 7	52	20 1/2	6 –	6 10	32 6	10 1/2	40 –	30 9	105	23 –
Sept. -	6,253,000	3 3/4	10 1/2	16 1/2	10 6	2 9	5 9	56	20 1/2	5 9	6 15	32 –	10 1/4	43 –	36 –	105	23 –
Dec. -	7,199,000	3 3/4	9	15	10 4	2 10	5 9	52	20 1/2	6 –	8 –	30 –	10 1/4	42 6	38 7	100	24 –
1836: March	7,918,000	3 1/4	10 1/2	16 3/4	11 3	2 11	5 9	56	19 1/2	6 9	10 10	36 –	11 1/2	43 –	40 8	100	25 –
June -	7,199,000	4	10 3/4	16 3/4	11 3	2 11	6 –	50	19 1/2	7 3	10 15	41 9	12	45 –	41 2	95	26 6
Sept. -	5,250,000	4	10 1/2	17 1/2	11 3	2 11	6 –	50	19	7 3	11 –	41 9	12	44 –	45 6	108	31 –
Dec. -	3,840,000	5	10 1/4	16 1/2	11 3	2 11	6 –	50	19	7 3	10 –	36 –	12	45 –	36 6	96	28 6
1837: March	4,077,000	5	8 1/4	16 3/4	10 9	2 9	5 10	50	18 3/4	6 6	10 –	33 6	12	45 –	33 –	106	26 6
June -	4,966,000	4 1/2	6 1/4	12	8 –	2 6	5 6	45	18 3/4	6 3	8 –	29 –	12	43 6	30 8	106	17 6
Sept. -	6,548,000	3 1/2	7	12 1/2	8 6	2 3	5 6	42	18 1/2	7 3	9 –	30 –	11	39 –	33 8	116	22 –
Dec. -	9,034,000	3 1/2	8	13	9 4	2 3	5 3	42	18 1/2	7 6	9 10	31 –	11	44 –	40 7	108	23 –
1838: March	10,471,000	2 3/4	7	12 1/2	9 4	2 5	5 3	44	17 1/4	7 –	9 10	31 –	11	49 6	38 11	116	25 –
June -	9,800,000	2 3/4	6 3/4	12	8 8	2 6	5 3	45	17 1/4	7 3	9 10	31 –	11	46 –	33 6	108	23 –
Sept. -	9,540,000	3	6 1/4	11 3/4	8 7	2 6	5 3	43	17 1/4	7 3	9 15	31 –	10 1/2	49 6	29 2	116	24 –
Dec. -	9,522,000	3 1/2	7 1/4	11 1/2	8 10	2 6	5 2	44	17 3/4	8 6	9 15	30 –	11	58 –	32 2	111	26 –
1839: March	6,773,000	3 3/4	8 1/2	12 3/4	9 2	2 6	5 4	50	18 1/4	8 6	10 10	32 –	11 1/2	47 –	36 11	113	25 –
June -	3,910,000	5	8 1/4	12 1/2	8 10	2 5	5 4	45	18 1/4	8 6	10 –	30 –	11	48 –	42 2	123	23
Sept. -	2,684,000	6	7 1/4	12	8 4	2 5	5 4	48	18 1/2	8 9	10 –	30 –	11	48 6	40 9	119	22 –
Dec. -	3,401,000	6	7	12	8 –	2 4	5 4	48	18 1/2	8 6	9 15	28 6	11	48 –	38 5	118	23 –
1840: March	4,211,000	4 3/4	6 1/4	11 1/2	8 3	2 3	5 1	48	18 1/2	8 –	9 –	28 –	12	51 6	39 6	120	28 –
June -	4,571,000	4 3/4	5 3/4	11 1/4	8 –	2 2	4 11	50	18 1/2	7 8	8 10	28 –	11 1/2	49 6	45 5	116	23 –
Sept. -	4,291,000	4 1/2	5 3/4	11	7 9	2 2	4 11	48	18 1/2	8 –	8 10	29 –	11 1/2	52 9	58 4	119	23 –
Dec. -	3,642,000	5 3/4	5 3/4	11 3/4	7 9	2 5	4 10	45	18 1/2	7 9	8 –	28 6	12	46 6	54 9	116	22 –
1841: March	4,502,000	5	6 3/4	11 1/2	8 3	2 4	4 10	48	18 1/2	8 –	8 5	29 –	12	46 6	48 4	108	22 –
June -	5,222,000	5	6 1/4	11	7 9	2 3	4 8	48	18 1/2	7 9	7 5	29 6	12	46 6	36 2	105	18 6
Sept. -	4,822,000	4 3/4	6 1/4	10 3/4	7 6	2 3	4 8	48	18	7 6	7 –	28 6	12	49 –	36 3	117	18 6
Dec. -	4,873,000	5	5 3/4	10 1/2	6 10	2 4	4 8	48	18	6 6	6 15	28 –	11 1/2	48 6	36 11	108	19 6
1842: March	6,429,000	3 3/4	5 1/2	10	6 9	2 3	4 7	48	17 1/2	6 8	6 15	28 –	11 1/2	48 –	37 2	112	22 –
June -	7,535,000	3 1/2	5 1/2	10	6 4	2 3	4 7	46	17 1/2	6 6	6 –	28 –	10 1/2	48 6	37 2	112	22 –
Sept. -	9,729,000	2 1/2	5 1/2	9 3/4	6 6	2 2	4 7	45	17	7 –	6 –	26 –	10 1/4	47 9	35 4	117	21 –
Dec. -	10,603,000	2 1/2	5 1/2	10	6 6	2 1	4 7	46	17	7 3	5 10	26 –	9 3/4	48 –	34 9	107	21 –
1843: March	11,009,000	2	4 3/4	9 3/4	6 3	1 10	4 6	38	16 1/4	6 9	5 5	25 6	9 1/2	43 3	31 –	100	20 –
June	11,566,000	2 1/4	4 1/2	9 1/2	6 3	1 10	4 4	38	16 1/4	6 6	5 –	24 –	9 1/2	42 –	36 11	98	19 –
Sept. -	12,231,000	2	4 3/4	9 1/2	6 4	2 –	4 4	35	14 3/4	6 3	5 –	23 6	9	42 –	35 –	97	22 6
Dec. -	13,000,000	2 1/2	5 1/4	9 1/2	6 8	2 1	4 4	37	14 3/4	- -	5 –	24 –	9 3/4	42 –	33 3	100	22 –

NOTE.

Periods of Comparison.	Bullion in the Bank.	Market Rate of Discount.	Of 15 Articles, Rose in Price.	Fell in Price.	Did not Vary.
	£.				
1834.—1 March - - - - -	9,104,000	2 3/4	–	–	–
1835.—1 March - - - - -	6,274,000	3 3/4	7	7	1
1836.—1 March - - - - -	7,918,000	3 1/4	11	3	1
1837.—1 March - - - - -	4,077,000	5	5	9	1
1838.—1 March - - - - -	10,471,000	2 3/4	4	11	–
1839.—1 September - - - - -	2,684,000	6	8	5	–
1840.—1 June - - - - -	4,571,000	4 3/4	5	9	1
„ 1 December - - - - -	3,642,000	5 3/4	7	6	2
1841.—1 December - - - - -	4,873,000	5	3	12	–
1842.—1 December - - - - -	10,603,000	2 1/2	2	13	–
1843.—1 June - - - - -	11,566,000	2 1/4	1	14	–

It here appears that while the rate of discount adjusted itself with the utmost exactitude to the variations in the amount of bullion, there is observable in the general range of prices either a divided and conflicting movement, or, as in the later years, a very remarkable downward progress in the prices of the majority of articles, simultaneously with a very considerable enlargement of the amount of bullion.

TABLE (B.)—Showing the Amount of Bullion in the Bank of *England*, the Market Rate of Discount for Good Bills of Exchange, and the Prices of Fifteen of the Principal Articles of Commerce at the Beginning of the Months of March, June, September, and December, from March 1844 to December 1853.

DATE.	Bullion in the Bank of England.	Rate of Discount.	Cotton, per lb.	Cotton Yarn, per lb.	Cotton Cloth, p' piece.	Wool, per lb.	Woollen Cloths, per yard.	Flax, p' ton.	Linen, p' yd.	Indigo, p' lb.	Iron Bars, p' ton.	Tin Plates, p' box.	Copper, per lb.	Tallow, p' cwt.	Sugar, p'cwt.	Coffee, p' cwt.	Silk, per lb.
	£.		d.	d.	s. d.	s. d.	s. d.	£. s.	d.	s. d.	£. s.	s. d.	d.	s. d.	s. d.	s.	s. d.
1844: March	16,162,000	2¼	6	9¾	9 10½	1 11	4 6	30 10	14¾	4 6	6 –	24 6	10½	40 9	36 3	105	28 6
June -	15,796,000	„	4⅞	9½	9 6	1 11	4 6	31 10	15½	4 9	7 –	28 –	11	40 6	36 10	98	27 –
Sept. -	15,314,000	2	4⅞	9¾	9 7½	1 11	4 6	34 –	16	4 9	7 –	27 –	10	42 –	31 11	92	26 6
Dec. -	14,558,000	2¾	4¼	10	9 7½	1 11½	4 6	35 –	16	4 5	7 –	24 6	10	40 6	31 11	86	26 6
1845: March	15,730,000	„	4½	10¾	9 10½	2 3	5 –	42 10	16½	4 9	7 –	29 6	10	39 3	29 7	86	26 –
June -	16,412,000	„	4¼	11¼	9 9	2 4	5 –	43 10	16½	4 6	10 –	29 6	10½	40 –	31 5	83	24 –
Sept. -	15,592,000	„	4½	11¾	10 –	2 5	5 1	42 –	17	4 6	8 10	26 6	10½	41 3	35 4	83	25 9
Dec. -	13,237,000	4½	4¼	10	9 6	2 4	5 –	41 –	17	4 9	10 –	29 6	10¾	42 –	37 3	82	24 –
1846: March	13,776,000	„	4⅜	9¾	9 4½	2 1	4 11	40 –	17½	4 9	10 –	27 –	11	42 6	33 6	82	28 –
June -	14,698,000	4	5	9¾	9 6	2 –	4 11	41 –	17½	4 6	9 15	25 –	10¾	42 6	36 8	74	25 3
Sept. -	16,366,000	3	5⅛	9⅜	9 7½	2 –	4 11	42 10	17½	4 6	9 15	25 –	11	42 3	32 7	72	25 3
Dec. -	15,008,000	3¼	6¼	10¾	9 9	2 –	4 10	44 –	17½	4 9	10 –	26 –	10¾	48 –	33 8	72	24 4
1847: March	12,045,000	4½	6⅜	10	10 –	1 11	4 10	43 10	17½	4 9	10 –	27 –	11	51 –	35 3	68	24 –
June -	10,170,000	6	6⅞	10½	10 –	2 1	4 10	42 –	17½	4 3	10 –	25 –	11¼	49 6	28 10	68	24 –
Sept. -	9,140,000	„	7¼	10¼	9 9	2 1	4 9	no, m.	17¼	4 –	10 –	25 –	11¼	47 –	26 7	68	20 6
Dec. -	10,533,000	6½	5	8⅝	9 3	1 11	4 9	36 –	17¼	3 6	10 –	24 –	11	45 –	22 8	68	20 –
1848: March	14,761,000	3½	4⅞	8¼	8 9	1 9	4 9	33 –	16¼	4 3	8 –	24 6	10	51 –	24 5	68	19 6
June -	13,597,000	3¼	4⅛	7⅜	8 –	1 6	4 9	30 –	16¼	3 9	8 –	24 6	10	45 3	24 2	56	19 6
Sept. -	13,510,000	3	4¼	7¾	8 1½	1 6½	4 8	30 10	16¼	3 9	6 10	25 6	9	45 –	23 8	48	18 –
Dec. -	14,267,000	2½	4	8	8 9	1 6½	4 7	„	16¼	4 –	6 10	26 –	9	45 –	22 7	47	19 –
1849: March	15,177,000	2¼	5	9	9 1½	1 8	4 6	„	16¼	3 10	6 10	30 –	9½	40 6	23 7	47	21 6
June -	14,442,000	„	4⅜	8⅝	8 9	1 8	4 5	30 –	16¼	4 –	6 10	27 –	9	38 9	26 1	48	21 –
Sept. -	14,776,000	„	5⅝	9½	9 6	1 11	4 5	„	16¼	4 –	6 –	27 6	9½	38 6	25 11	56	23 6
Dec. -	16,513,000	2	6½	10	9 9	1 11	4 5	„	16¼	4 –	6 –	26 6	9	38 –	25 4	62	24 9
1850: March	17,126,000	2½	6⅜	10⅜	9 10½	2 –	4 4	35 10	16½	4 4	6 –	28 6	10	36 6	25 7	76	24 6
June -	16,738,000	2	7⅛	11¼	10 3	2 2	4 4	33 10	16⅜	4 6	6 –	26 –	10	36 9	24 3	62	23 6
Sept. -	16,770,000	2½	8	12¼	10 7½	2 1	4 5	35 10	16½	5 –	6 –	28 –	9	37 9	25 8	58	25 9
Dec. -	16,010,000	2¾	7¾	12½	10 9	2 –	4 3	34 –	16½	6 –	6 –	27 6	9	37 3	28 1	67	25 3
1851: March	14,448,000	3	7⅝	12¼	10 6	1 11½	4 3	36 10	16	5 6	6 –	27 6	9½	38 –	29 7	65	25 9
June -	13,705,000	„	6	10	9 6	1 10½	4 2	36 –	16	5 6	6 –	25 –	9½	38 –	25 7	53	24 3
Sept. -	14,362,000	„	5⅝	9½	9 4½	1 11	4 2	37 10	15¾	5 3	6 –	24 9	9½	38 9	23 10	54	26 –
Dec. -	16,134,000	2¾	5⅛	9½	9 10½	1 11	4 1	35 –	15¾	5 –	6 –	23 6	10	37 –	21 3	52	24 –
1852: March	19,410,000	2	5¼	10	9 10½	1 10½	4 3	33 –	14¾	4 10	5 10	22 6	10	36 –	22 7	52	25 9
June -	20,839,000	1⅞	5⅜	9¾	10 –	1 10½	4 3	32 –	14¾	5 4	6 –	22 6	10½	37 –	23 9	54	26 –
Sept. -	21,853,000	1¾	6⅛	10½	10 1½	1 11½	4 5	32 –	14¾	5 –	6 –	23 –	11½	39 –	22 5	55	26 6
Dec. -	21,808,000	„	6⅞	11	10 7½	2 1	4 6	37 –	14¾	5 9	8 –	26 –	11½	47 9	24 1	56	26 9
1853: March	18,894,000	3	6⅛	10	10 9	2 1½	4 7	39 10	16	6 –	10 –	28 –	16	44 6	25 1	57	28 3
June -	18,254,000	„	6⅜	10¾	10 7½	2 2	5 –	37 10	16	6 –	10 –	24 –	13	47 6	24 10	57	28 9
Sept. -	16,500,000	3½	6⅝	10⅞	10 9	2 3½	5 –	41 10	16	6 6	9 –	27 –	12	50 9	24 9	59	34 –
Dec. -	15,093,000	5	6½	10½	10 3	2 2	5 –	41 10	16	6 6	9 –	27 –	14½	56 3	23 11	60	31 –

NOTE.

Periods of Comparison.	Bullion in the Bank.	Market Rate of Discount.	Of 15 Articles, Rose in Price.	Fell in Price.	Did not Vary.
	£.				
1844.—1 March - - - - -	16,162,000	2¼	–	–	–
1845.—1 December - - - - -	13,237,000	4½	11	4	–
1846.—1 September - - - - -	16,366,000	3	7	8	–
1847.—1 September - - - - -	9,140,000	6	6	6	3
1850.—1 March - - - - -	17,126,000	2½	5	9	1
1851.—1 June - - - - -	13,705,000	3	2	11	2
1852.—1 September - - - - -	21,853,000	1¾	9	5	1
1853.—1 December - - - - -	15,093,000	5	14	none	1

As in the 10 years 1834–1843, so in the period 1844–1853, the upward and downward movements in the bullion at the Bank have invariably been accompanied with a decrease and increase in the loanable value of money advanced on discount; and as in the earlier period, so in this, the variations in the prices of commodities in this country exhibit an entire independence of the amount of circulation as shown in the fluctuations in bullion at the Bank of England.

J. G. Hubbard.

Appendix, No. 33.

Memorandum on Question 50.

The increase in the country circulation between 1851 and 1854 amounted to 1,000,000*l.*, or about one-sixth. This increase was accompanied by an increase in the consumption of notes of all denominations, at the Branches, of about one-fourth; thus,

	Number.		Number.
£.5 notes consumed in 1851	1,450,000	against in 1854	1,800,000
£.10 „	400,000	„	500,000
£.$\frac{20}{500}$ „	390,000	„	490,000

SILVER ACCOUNT.

A Table of the Monthly Gain or *Loss* of Silver Coin arising out of the Action of the Public on the Stock in the Bank of England.

	1845.	1846.	1847.	1848.	1849.	1850.	1851.	1852.	1853.	1854.	1855.	1856.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
January	*1*	25	36	30	41	15	*1*	*27*	*35*	39	22	35
February	38	45	18	47	26	39	33	4	8	40	45	12
March	39	9	33	66	31	34	22	27	*5*	16	30	4
April	*33*	*28*	17	*20*	19	*4*	*43*	*39*	*46*	*36*	*4*	*42*
May	*21*		*14*	30	47	5	3	*23*	*68*	1	4	*34*
June	*22*	*24*	9	*2*	30	10	3	*21*	*12*	3	16	*22*
July	*91*	*41*	*72*	*27*	*4*	*27*	*1*	*78*	*120*	*27*	*50*	*40*
August	*101*	*46*	*13*	*1*	*3*	*22*	*2*	*67*	*136*	*23*	*27*	*71*
September	*84*	*47*	*14*	*15*	*4*	*26*	*23*	*70*	*34*	*72*	*70*	*81*
October	*83*	*55*	*20*	*9*	*1*	*39*	*29*	*49*	*94*	*18*	*46*	*47*
November	*122*	*27*	*39*	*57*	14	15	*22*	*55*	*8*	42	33	20
December	*71*	*40*	2	35	*4*	*27*	*12*	*22*	4	*2*	*1*	*23*
Year	*552*	*223*	21	191	199	*27*	*26*	*420*	*554*	*37*	*48*	*289*

N.B.—The words and figures printed in *Italics* in the above Table were written with Red Ink in the original.

AN ACCOUNT of Silver Coin held by the Bank of England, together with the Receipts from the Mint, and the Excess of Payments to or of Receipts from the Public; also, the Total Amount coined in each Year, from 1845 to 1856.

1845:

	Silver Coin held by the Bank.	Received from the Mint.	Excess of Payments.	Excess of Receipts.
	£.	£.	£.	£.
January	146,014	-	1,065	—
February	173,528	-	-	27,514
March	208,142	-	-	34,614
April	175,484	-	32,658	—
May	164,768	10,000	20,716	—
June	142,967	-	21,801	—
July	76,100	24,100	90,967	—
August	92,265	117,700	101,535	—
September	77,230	78,400	93,435	—
October	99,507	105,500	83,223	—
November	64,141	86,700	122,066	—
December	81,352	88,000	70,789	—
	£.	510,400	638,255	62,128
Less Excess of Receipts			62,128	
And Worn Silver sent to Mint			23,900	
Excess of Payments to Public		£.	552,227	

[Total Silver Coined - £.647,658.]

1846:

	Silver Coin held by the Bank.	Received from the Mint.	Excess of Payments.	Excess of Receipts.
	£.	£.	£.	£.
January	175,057	73,900	-	19,805
February	239,692	20,000	-	44,635
March	251,157	2,000	-	9,465
April	222,910	-	28,247	—
May	222,765	-	145	—
June	198,634	-	24,131	—
July	183,546	25,900	40,988	—
August	177,872	40,000	45,674	—
September	130,812	-	47,060	—
October	75,430	-	55,382	—
November	153,477	112,500	34,453	—
December	177,205	63,400	39,672	—
	£.	337,700	315,752	73,905
Less Excess of Receipts			73,905	
And Worn Silver sent to Mint			18,000	
Excess of Payments to Public		£.	223,847	

[Total Silver Coined - £. 559,548.]

1847:

	Silver Coin held by the Bank.	Received from the Mint.	Excess of Payments.	Excess of Receipts.
	£.	£.	£.	£.
January	225,133	11,900	-	36,028
February	237,800	-	-	12,667
March	270,857	-	-	33,057
April	287,704	-	-	16,847
May	273,536	-	14,168	—
June	282,885	-	-	9,349
July	210,756	-	72,129	—
August	192,993	-	17,763	—
September	178,426	-	14,567	—
October	158,777	-	19,649	—
November	197,280	-	-	38,503
December	199,875	-	-	2,595
	£.	11,900	138,276	149,046
Less Worn Silver sent to Mint			9,500	
		£.	128,776	
Less Excess of Payments				128,776
Excess of Receipts from Public			£.	20,270

[Total Silver Coined - £. 125,730.]

Appendix, No. 33.

1848:

	Silver Coin held by the Bank.	Received from the Mint.	Excess of Payments.	Excess of Receipts.
	£.	£.	£.	£.
January	221,102	-	-	21,227
February	267,667	-	-	46,565
March	333,633	-	-	65,966
April	313,911	-	19,722	—
May	331,815	-	-	17,904
June	330,164	-	1,651	—
July	303,228	-	26,936	—
August	291,877	-	11,351	—
September	267,060	-	24,817	—
October	257,781	-	9,279	—
November	301,575	-	-	43,794
December	338,883	2,000	-	35,308
	£.	2,000	93,756	230,764
Less Worn Silver sent to Mint			53,500	
		£.	40,256	
Less Excess of Payments				40,256
Excess of Receipts from Public			£.	190,508

[Total Silver Coined - - - £. 35,442.]

1849:

	Silver Coin held by the Bank.	Received from the Mint.	Excess of Payments.	Excess of Receipts.
	£.	£.	£.	£.
January	366,305	-	-	27,422
February	392,201	-	-	25,896
March	422,779	-	-	30,578
April	441,918	-	-	19,139
May	455,337	-	-	13,419
June	484,880	-	-	29,543
July	480,404	-	4,476	—
August	503,122	19,700	-	3,018
September	519,285	19,800	3,637	—
October	478,545	-	40,740	—
November	477,203	-	1,342	—
December	473,215	-	3,988	—
	£.	39,500	54,183	149,015
Add Worn Silver sent to Mint				104,000
				253,015
Less Excess of Payments				54,183
Excess of Receipts from Public			£.	198,832

[Total Silver Coined - - - £. 119,592.]

1850:

	Silver Coin held by the Bank.	Received from the Mint.	Excess of Payments.	Excess of Receipts.
	£.	£.	£.	£.
January	437,811	-	35,404	—
February	477,297	-	-	39,486
March	510,960	-	-	33,663
April	457,216	-	53,744	—
May	463,229	1,000	-	5,013
June	473,113	-	-	9,884
July	395,942	-	77,171	—
August	385,788	12,000	22,154	—
September	360,153	-	25,635	—
October	321,205	100	39,048	—
November	336,370	-	-	15,165
December	337,044	27,700	27,026	—
	£.	40,800	280,182	103,211

Less Worn Silver sent to Mint	150,000
And Excess of Receipts	103,211
Excess of Payments to Public - £.	26,971

[Total Silver Coined - £. 129,096.]

1851:

	Silver Coin held by the Bank.	Received from the Mint.	Excess of Payments.	Excess of Receipts.
	£.	£.	£.	£.
January	335,815	-	1,229	—
February	368,781	-	-	32,966
March	390,603	220	-	21,602
April	360,051	12,400	42,952	—
May	363,245	-	-	3,194
June	326,556	10,200	46,889	—
July	325,422	-	1,134	—
August	323,645	-	1,777	—
September	347,075	-	-	23,430
October	332,629	15,000	29,446	—
November	260,811	-	71,818	—
December	262,757	14,200	12,254	—
	£.	52,020	207,499	81,192

Less Worn Silver sent to Mint	100,000
And Excess of Receipts	81,192
Excess of Payments to Public - £.	26,307

[Total Silver Coined - £. 87,868.]

Appendix, No. 33.

1852:

	Silver Coin held by the Bank.	Received from the Mint.	Excess of Payments.	Excess of Receipts.
	£.	£.	£.	£.
January	235,990	-	26,767	—
February	240,309	-	-	4,319
March	267,321	-	-	27,012
April	228,745	-	38,576	—
May	205,434	-	23,311	—
June	184,158	-	21,276	—
July	120,204	14,300	78,254	—
August	57,410	18,600	81,394	—
September	36,208	48,500	69,702	—
October	51,146	63,900	48,962	—
November	67,421	31,100	14,825	—
December	50,489	-	16,932	—
	£.	176,400	419,999	31,331

Add Old Silver received from Malta through Mint		59,950
		479,949
Less worn Silver sent to Mint		28,200
And Excess of Receipts		31,331
Excess of Payments to Public	£.	420,418

[Total Silver Coined - - - £. 189,597.]

1853:

	Silver Coin held by the Bank.	Received from the Mint.	Excess of Payments.	Excess of Receipts.
	£.	£.	£.	£.
January	114,577	94,100	30,012	—
February	122,197	-	-	7,620
March	116,778	-	5,419	—
April	119,563	42,900	40,115	—
May	70,776	-	48,787	—
June	113,843	55,500	12,433	—
July	92,699	120,600	141,744	—
August	79,932	123,200	135,967	—
September	52,806	7,000	34,126	—
October	93,604	134,325	93,527	—
November	158,488	73,100	8,216	—
December	154,272	-	4,216	—
	£.	650,725	554,562	7,620

Add Old Silver received from Malta through Mint		29,500
		584,062
Less Worn Silver sent to Mint		22,000
And Excess of Receipts		7,620
Excess of Payments to Public	£.	554,442

[Total Silver Coined - - - £. 701,544.]

1854:

	Silver Coin held by the Bank.	Received from the Mint.	Excess of Payments.	Excess of Receipts.
	£.	£.	£.	£.
January	193,731	-	-	39,459
February	233,839	-	-	40,108
March	249,832	-	-	15,993
April	213,630	-	36,202	—
May	214,300	-	-	670
June	217,057	-	-	2,757
July	190,158	-	26,899	—
August	167,160	-	22,998	—
September	94,775	-	72,385	—
October	60,733	-	34,042	—
November	103,481	-	-	42,748
December	124,469	23,000	2,012	—
	£.	23,000	194,538	141,735

Less Worn Silver sent to Mint - - -	16,000
And Excess of Receipts - - - -	141,735
Excess of Payments to Public - £.	36,803

[Total Silver Coined - - - £. 140,480.]

1855:

	Silver Coin held by the Bank.	Received from the Mint.	Excess of Payments.	Excess of Receipts.
	£.	£.	£.	£.
January	146,801	-	-	22,332
February	172,081	-	-	25,280
March	202,356	-	-	30,275
April	198,698	-	3,658	—
May	202,807	-	-	4,109
June	218,879	-	-	16,072
July	139,265	-	79,614	—
August	113,861	15,000	40,404	—
September	89,706	46,000	70,155	—
October	71,589	28,000	46,117	—
November	103,980	-	-	32,391
December	102,715	-	1,265	—
	£.	89,000	241,213	130,459

Less Worn Silver sent to Mint - -	63,000
And Excess of Receipts - - - -	130,459
Excess of Payments to Public - £.	47,754

[Total Silver Coined - - - - £. 195,511.]

Appendix, No. 33.

1856:

	Silver Coin held by the Bank.	Received from the Mint.	Excess of Payments.	Excess of Receipts.
	£.	£.	£.	£.
January	112,634	-	-	9,919
February	114,703	-	-	2,069
March	128,734	10,000	-	4,031
April	132,504	45,400	41,630	—
May	98,028	-	34,476	—
June	120,050	44,000	21,978	—
July	77,629	21,900	64,321	—
August	127,208	120,200	70,621	—
September	103,994	58,000	81,214	—
October	86,975	45,200	62,219	—
November	123,862	17,100	-	19,787
December	127,273	25,900	22,489	—
	£.	387,700	398,948	35,806

Less Worn Silver sent to Mint	-	74,000
And Excess of Receipts	-	35,806
	£.	289,142

[Total Silver Coined - - - £.462,528.]

YEARLY SUMMARY.

Year.	Total Coinage of Silver.	Received from Mint by the Bank.	Sent to the Mint (Worn Silver).	Excess of Payments to the Public.	Excess of Receipts from the Public.
	£.	£.	£.	£.	£.
1845	647,658	510,400	23,900	552,227	—
1846	559,548	337,700	18,000	223,847	—
1847	125,730	11,900	9,500	-	20,270
1848	35,442	2,000	53,500	-	190,508
1849	119,592	39,500	104,000	-	198,832
1850	129,096	40,800	150,000	26,971	—
1851	87,868	52,020	100,000	26,307	—
1852	189,597	176,400 / Malta 59,950	28,200	420,418	—
1853	701,544	650,725 / Malta 29,500	22,000	554,442	—
1854	140,480	23,000	16,000	36,803	—
1855	195,511	89,000	63,000	47,754	—
1856	462,528	387,700	74,000	289,142	—
£.	3,394,594	2,410,595	662,100	2,177,911	409,610
				409,610	
			£.	1,768,301	

Bank of England,
8 March 1857.

AN ACCOUNT of COPPER COINED and of COPPER COIN received at the Bank of England from the MINT, in each Year from 1845 to 1856.

YEAR.	COPPER COINED.	COPPER COIN RECEIVED.
	£.	£.
1845	6,944	300
1846	6,496	100
1847	8,960	200
1848	2,688	611
1849	1,792	700
1850	448	600
1851	3,584	480
1852	4,312	300
1853	10,190	347
1854	61,538	300
1855	41,091	500
1856	11,418	60
£.	159,461	4,498

Note.—The Bank does not undertake the distribution of copper coin to the public, and it is only issued in the payments arising out of their ordinary banking business, principally through the Dividend Pay-office.

Bank of England,
8 March 1857.

AN ACCOUNT of the Number of BANK of England NOTES Cancelled, and of the AVERAGE AMOUNT Year 1831, and from

Year.	£.5.		£.10.		£.20.	£.30.	£.40.	£.50.	£.100.	Average Notes with the Public.
	Number Cancelled.	Average Notes with the Public.	Number Cancelled.	Average Notes with the Public.	Number Cancelled.					
		£.		£.						£.
1831	2,317,776	5,260,000	1,275,017	3,560,000	312,689	117,059	95,361	199,567	153,544	5,370,000
1844	3,808,792	5,504,000	1,573,893	3,759,000	367,736	157,555	135,721	258,784	253,817	5,735,000
1845	4,130,653	5,765,000	1,605,959	3,933,000	404,506	127,961	110,912	277,229	276,239	6,082,000
1846	4,287,512	5,942,000	1,657,179	3,976,000	403,617	128,598	114,482	263,988	257,800	5,778,000
1847	4,569,711	5,809,000	1,700,428	3,782,000	408,053	133,567	119,122	272,457	267,903	5,498,000
1848	4,379,954	5,288,000	1,607,791	3,444,000	391,792	129,168	117,041	266,369	241,091	5,046,000
1849	4,262,976	5,190,000	1,580,590	3,502,000	387,156	134,118	123,021	270,014	248,423	5,234,000
1850	4,236,626	5,465,000	1,607,188	3,701,000	399,384	139,013	126,298	279,709	266,048	5,587,000
1851	4,500,990	5,637,000	1,672,518	3,725,000	421,204	135,686	126,865	290,690	284,764	5,554,000
1852	4,706,591	5,898,000	1,817,331	3,941,000	539,553	202,707	3,914	329,125	306,319	6,161,000
1853	5,040,476	6,490,000	2,039,195	4,209,000	724,429	5,360	290	370,799	436,976	6,393,000
1854	5,178,239	6,496,000	1,963,559	4,069,000	672,320	557	108	340,157	325,379	5,910,000
1855	5,310,264	6,570,000	2,011,522	4,058,000	651,299	227	83	335,387	331,351	5,706,000
1856	5,615,050	6,603,000	2,140,141	4,077,000	714,704	112	43	362,879	369,494	5,645,000

AVERAGE NUMBER of Days a Note of each Class remains in Circulation.

	£.5.	£.10.	£.20. to £.100.	£.200. to £.500.	£.1,000.
	Days.	*Days.*	*Days.*	*Days.*	*Days.*
1831 - -	115	80	44	14	13
1844 - -	82	70	34	13	12
1845 - -	80	72	35	12	9
1846 - -	79	71	34	12	8
1847 - -	74	67	32	10	7
1848 - -	71	64	31	11	10
1849 - -	71	66	32	11	10
1850 - -	75	68	32	11	9
1851 - -	73	66	31	10	9
1852 - -	73	65	32	12	10
1853 - -	75	62	28	10	9
1854 - -	73	63	31	10	8
1855 - -	72	61	30	10	7
1856 - -	70	58	27	9	7

Bank of England,
2 March 1857.

held by the Public; also of the AVERAGE NUMBER of DAYS each Note remained in Circulation, in the 1844 to 1856 inclusive.

£. 200.	£. 300.	£. 500.	Average Notes with the Public.	£. 1,000.		TOTAL.		YEAR.
Number Cancelled.				Number Cancelled.	Average Notes with the Public.	Number Cancelled.	Average Notes with the Public.	
			£.		£.		£.	
52,918	39,872	34,980	1,530,000	79,458	3,000,000	4,678,301	18,720,000	1831
50,778	39,134	48,754	1,744,000	102,080	3,509,000	6,797,044	20,252,000	1844
54,975	42,276	51,420	1,701,000	119,048	3,241,000	7,191,178	20,722,000	1845
55,432	42,926	47,539	1,563,000	127,308	3,027,000	7,386,381	20,286,000	1846
58,692	46,386	50,348	1,476,000	133,750	2,590,000	7,760,417	19,155,000	1847
56,088	44,667	40,661	1,387,000	102,134	2,920,000	7,376,756	18,085,000	1848
56,150	44,602	44,375	1,497,000	103,562	2,980,000	7,254,887	18,403,000	1849
60,853	46,805	50,015	1,633,000	112,481	3,013,000	7,324,421	19,397,000	1850
61,278	48,172	53,047	1,565,000	113,109	2,992,000	7,708,325	19,473,000	1851
65,863	51,725	59,334	1,918,000	135,717	3,938,000	8,218,179	21,856,000	1852
69,861	54,735	71,417	1,917,000	152,403	3,624,000	8,965,941	22,633,000	1853
63,721	47,997	62,868	1,603,000	121,172	2,631,000	8,776,077	20,709,000	1854
54,512	39,858	62,364	1,474,000	97,349	1,985,000	8,894,226	19,793,000	1855
54,681	39,600	64,400	1,421,000	96,406	1,902,000	9,457,510	19,648,000	1856

A CALCULATION, as far as it could be made out, of the Average Number of Days a Bank Note of each denomination remained in Circulation in the Years 1792 and 1818, presented to the Houses of Parliament on 24th May 1819, and inserted here for comparison with the foregoing:—

DENOMINATION.	NUMBER OF DAYS.	
	1792.	1818.
Notes of £. 5. each - -	- - -	148
„ 10. „ - -	236	137
„ 15. „ - -	114	66
„ 20. „ - -	209	121
„ 25. „ - -	74	43
„ 30. „ - -	95	55
„ 40. „ - -	65	38
„ 50. „ - -	124	72
„ 100. „ - -	84	49
„ 200. „ - -	31	18
„ 300. „ - -	24	14
„ 500. „ - -	24	14
„ 1,000. „ - -	22	13

M. Marshall, Chief Cashier.

Appendix, No. 34.

A RETURN of the DEPOSITS of BANKERS, and of the PRIVATE CUSTOMERS of the Bank of *England*; also of the BULLION in the Bank of *England*, and the MINIMUM RATE of DISCOUNT, on each Saturday during the Drain of Bullion in 1846-47, and during the Period of Pressure from the Autumn of 1853 to the Summer of 1857.

DATE.	DEPOSITS.		TOTAL BULLION.	Minimum Rate of Discount.
	Bankers.	Traders and Others.		
1846:	£. m.	£. m.	£. m.	*Per cent.*
Aug. - 29	1,992	3,381	16,366	3
Sept. - 5	1,301	3,297	16,274	3
12	1,192	3,227	16,354	3
19	1,320	3,164	16,309	3
26	1,100	3,344	16,224	3
Oct. - 3	1,233	3,303	15,817	3
10	1,139	2,937	15,582	3
17	2,074	3,287	15,143	3
24	1,576	3,293	14,894	3
31	1,358	3,169	14,808	3
Nov. - 7	1,105	3,226	14,760	3
14	1,114	3,190	14,849	3
21	1,222	3,079	14,924	3
28	1,366	2,965	15,008	3
Dec. - 5	1,417	3,014	15,003	3
12	1,411	2,948	15,154	3
19	1,165	2,911	15,163	3
26	1,232	2,834	15,067	3
1847:				
Jan. - 2	1,464	2,838	14,952	3
9	2,570	3,080	14,308	3
16	1,479	3,202	13,949	3 ½
23	1,643	3,191	13,443	4
30	1,508	3,112	12,902	4
Feb. - 6	942	3,111	12,288	4
13	1,312	3,082	12,299	4
20	1,060	3,138	12,215	4
27	1,288	3,117	12,045	4
March 6	1,096	3,145	11,596	4
13	1,609	3,097	11,449	4
20	1,760	3,001	11,232	4
27	1,300	2,970	11,016	4
April - 3	1,537	3,011	10,246	4
10	2,540	3,167	9,867	5
17	1,695	3,092	9,330	5
24	1,358	2,734	9,214	5
May - 1	1,399	2,964	9,338	5
8	1,360	2,982	9,589	5
15	1,369	2,905	9,870	5
22	1,016	2,877	9,949	5
29	1,212	2,773	10,170	5

DATE.	DEPOSITS.		TOTAL BULLION.	Minimum Rate of Discount.
	Bankers.	Traders and Others.		
1847:	£. m.	£. m.	£. m.	*Per cent.*
June - 5	1,190	2,718	10,237	5
12	1,449	2,702	10,359	5
19	1,180	2,659	10,512	5
26	898	2,626	10,526	5
July - 3	881	2,624	10,397	5
10	1,521	2,801	10,086	5
17	1,313	2,752	9,919	5
24	1,270	2,667	9,770	5
31	1,433	2,655	9,331	5
Aug. - 7	1,312	2,727	9,253	5 ½
14	1,241	2,620	9,287	5 ½
21	1,067	2,550	9,240	5 ½
28	1,356	2,693	9,140	5 ½
Sept. - 4	1,153	2,588	8,960	5 ½
11	1,267	2,568	8,915	5 ½
18	1,078	2,924	8,880	5 ½
25	1,194	2,954	8,782	5 ½
Oct. - 2	1,599	3,017	8,565	5 ½
9	1,321	3,034	8,409	5 ½
16	1,905	3,226	8,431	5 ½
23	1,615	3,182	8,313	5 ½
30	1,988	3,124	8,439	8
Nov. - 6	2,060	3,112	8,730	8
13	1,929	3,031	9,259	8
20	1,757	2,967	10,017	8
27	1,944	2,983	10,533	7
Dec. - 4	1,759	3,116	11,033	6
11	2,112	2,806	11,426	6
18	1,805	2,882	11,991	6
25	1,431	2,771	12,237	5
1853:				
June - 25	1,733	4,789	18,665	3 ½
July - 2	2,177	4,567	18,554	3 ½
9	2,793	4,669	18,264	3 ½
16	2,590	4,818	18,023	3 ½
23	2,522	4,657	17,829	3 ½
30	2,360	4,496	17,739	3 ½

RETURN of the Deposits of Bankers, and of the Private Customers of the Bank of *England*, &c.—*continued.*

DATE.	DEPOSITS.		TOTAL BULLION.	Minimum Rate of Discount.
	Bankers.	Traders and Others.		
1853:	£. m.	£. m.	£. m.	*Per cent.*
Aug. - 6	1,862	4,482	17,435	3 ½
13	1,915	4,563	17,310	3 ½
20	2,133	4,453	17,172	3 ½
27	2,063	4,445	16,963	3 ½
Sept. - 3	1,734	4,377	16,500	4
10	1,772	4,293	16,201	4
17	2,039	4,317	15,862	4 ½
24	1,806	4,254	15,681	4 ½
Oct. - 1	2,581	4,408	15,613	5
8	2,549	4,260	15,749	5
15	3,258	4,357	15,271	5
22	3,056	4,306	14,960	5
29	2,896	4,411	15,271	5
Nov. - 5	2,781	4,418	15,680	5
12	2,559	4,517	15,856	5
19	2,113	4,908	15,819	5
26	1,960	4,369	15,090	5
Dec. - 3	2,015	4,264	15,093	5
10	2,180	4,106	15,341	5
17	2,139	3,989	15,443	5
24	2,037	3,812	15,819	5
31	2,260	3,864	15,853	5
1854:				
Jan. - 7	2,019	3,799	15,831	5
14	2,935	4,039	16,069	5
21	3,004	4,065	16,096	5
28	2,706	4,306	16,223	5
Feb. - 4	2,498	4,069	16,227	5
11	2,798	4,208	16,204	5
18	3,103	4,172	16,253	5
25	2,820	3,988	16,286	5
March 4	2,242	3,812	15,909	5
11	1,956	3,779	15,397	5
18	2,074	3,768	14,823	5
25	2,096	3,702	14,629	5
April - 1	2,071	3,837	14,450	5
8	3,745	3,908	14,141	5
15	2,954	3,848	13,511	5
22	2,502	3,815	13,314	5
29	2,355	3,727	12,916	5
May - 6	2,148	3,684	12,608	5
13	2,367	3,745	12,589	5 ½
20	2,233	3,559	12,514	5 ½
27	2,219	3,670	12,741	5 ½
June - 3	2,437	3,579	12,750	5 ½
10	2,519	3,609	12,728	5 ½
17	2,508	3,700	13,109	5 ½
24	2,388	3,556	13,870	5 ½
July - 1	3,221	3,548	14,216	5 ½
8	3,938	3,713	14,021	5 ½
15	3,047	3,669	13,824	5 ½
22	3,075	3,736	13,634	5 ½
29	2,975	3,713	13,484	5 ½
Aug. - 5	2,369	3,580	13,300	5
12	2,278	3,652	13,562	5
19	2,904	3,601	13,701	5
26	2,748	3,604	13,635	5
Sept. - 2	3,040	3,613	13,368	5
9	2,363	3,543	13,322	5
16	2,525	3,432	13,279	5
23	2,334	3,570	13,229	5
30	2,650	3,436	13,060	5
Oct. - 7	2,305	3,457	12,972	5
14	3,417	3,715	12,905	5
21	3,940	3,677	13,406	5
28	3,799	3,515	13,581	5
Nov. - 4	3,397	3,427	13,525	5
11	2,889	3,467	13,580	5
18	2,536	3,364	13,495	5
25	2,766	3,244	13,710	5
Dec. - 2	2,761	3,270	13,870	5
9	2,393	3,426	14,005	5
16	2,393	3,391	14,029	5
23	2,369	3,344	14,137	5
30	2,861	3,351	13,853	5
1855:				
Jan. - 6	2,564	3,255	13,667	5
13	2,698	3,534	12,539	5
20	2,859	3,306	12,162	5
27	2,330	3,317	12,355	5
Feb. - 3	2,674	3,321	12,800	5
10	2,344	3,202	12,758	5
17	2,248	3,311	12,981	5
24	2,350	3,417	13,045	5
Mar. - 3	2,554	3,356	13,190	5
10	3,069	3,247	13,622	5
17	2,985	3,335	14,201	5
24	3,031	3,264	14,922	5
31	2,829	3,200	15,206	5
April - 7	3,224	3,336	15,079	4 ½
14	5,523	3,487	15,023	4 ½
21	4,031	3,521	15,056	4 ½
28	3,725	3,610	15,499	4 ½
May - 5	3,455	3,722	15,619	4
12	3,693	3,687	16,045	4
19	3,935	3,448	16,648	4
26	3,349	3,456	17,065	4
June - 2	3,592	3,688	17,789	4
9	3,592	3,692	17,764	4
16	3,739	3,659	18,061	3 ½
23	3,195	3,600	18,169	3 ½
30	3,147	3,716	18,019	3 ½
July - 7	3,200	3,931	17,584	3 ½
14	5,050	4,197	17,329	3 ½
21	4,085	4,124	16,644	3 ½
28	2,783	4,035	16,385	3 ½
Aug. - 4	2,530	4,049	16,232	3 ½
11	2,805	3,998	16,275	3 ½
18	3,698	4,517	16,117	3 ½
25	3,553	3,945	15,546	3 ½

RETURN of the Deposits of Bankers, and of the Private Customers of the Bank of *England*, &c.—*continued.*

DATE.	DEPOSITS.		TOTAL BULLION.	Minimum Rate of Discount.
	Bankers.	Traders and Others.		
1855:	£. m.	£. m.	£. m.	*Per cent.*
Sept. - 1	2,701	3,836	14,939	3 ½
8	2,773	3,918	14,270	4
15	2,405	3,767	13,698	4 ½
22	2,744	3,881	13,269	4 ½
29	2,930	3,755	12,939	5
Oct. - 6	2,722	3,620	12,279	5 ½
13	3,418	3,828	11,752	5 ½
20	2,556	3,679	11,230	6 & 7
27	2,581	3,553	11,303	6 & 7
Nov. - 3	3,097	3,429	11,300	6 & 7
10	2,720	3,341	11,234	6 & 7
17	2,540	3,383	11,263	6 & 7
24	2,535	3,261	11,140	6 & 7
Dec. - 1	2,781	3,324	11,227	6 & 7
8	2,704	3,182	11,080	6 & 7
15	2,466	3,108	11,306	6 & 7
22	2,378	3,055	10,982	6 & 7
29	2,765	3,094	10,820	6 & 7
1856:				
Jan. - 5	2,715	3,063	10,537	6 & 7
12	3,604	3,206	10,417	6 & 7
19	3,215	3,249	10,425	6 & 7
26	2,031	3,175	10,346	6 & 7
Feb. - 2	3,103	3,107	10,706	6 & 7
9	2,533	3,071	10,614	6 & 7
16	2,852	3,026	10,532	6 & 7
23	4,593	2,990	10,575	6 & 7
March 1	3,076	3,133	10,600	6 & 7
8	2,814	2,972	10,550	6 & 7
15	2,840	3,026	10,554	6 & 7
22	2,525	2,940	10,373	6 & 7
29	2,422	2,887	10,449	6 & 7
April - 5	2,902	2,946	10,057	6 & 7
12	3,100	3,318	10,099	6 & 7
19	3,168	3,219	9,876	6 & 7
26	2,518	3,207	9,723	6 & 7
May - 3	2,764	3,211	9,807	6 & 7
10	2,989	3,126	9,779	6 & 7
17	5,050	3,020	9,802	6 & 7
24	4,350	3,133	10,559	6
31	3,215	3,061	11,385	5
June - 7	3,323	3,042	11,688	5
14	3,124	2,996	12,059	5
21	3,484	2,975	12,418	5
28	2,747	2,977	13,074	4 ½
July - 5	3,221	3,070	12,611	4 ½
12	4,615	3,355	12,378	4 ½
19	3,734	3,450	12,331	4 ½
26	2,591	3,260	12,389	4 ½

DATE.	DEPOSITS.		TOTAL BULLION.	Minimum Rate of Discount.
	Bankers.	Traders and Others.		
1856:	£. m.	£. m.	£. m.	*Per cent.*
Aug. - 2	2,715	3,263	12,433	4 ½
9	2,764	3,292	12,495	4 ½
16	3,151	3,316	12,456	4 ½
23	3,122	3,267	12,436	4 ½
30	2,856	3,075	12,387	4 ½
Sept. - 6	2,810	3,091	12,179	4 ½
13	2,984	3,248	12,141	4 ½
20	2,899	3,251	12,133	4 ½
27	2,637	3,189	11,769	4 ½
Oct. - 4	2,977	3,362	10,784	5
11	2,740	3,103	10,140	6 & 7
18	3,146	3,272	9,760	6 & 7
25	2,758	3,067	9,638	6 & 7
Nov. - 1	2,762	3,096	9,596	6 & 7
8	2,701	3,132	9,530	6 & 7
15	3,265	3,237	9,684	7
22	3,143	3,127	9,898	7
29	2,499	3,147	10,411	7
Dec. - 6	2,758	3,020	10,486	6 ½
13	2,258	3,019	10,693	6 ½
20	2,530	2,897	10,514	6
27	2,986	2,884	10,230	6
1857:				
Jan. - 3	2,987	2,923	10,182	6
10	2,945	3,137	10,181	6
17	3,334	3,151	10,110	6
24	2,565	2,950	10,116	6
31	2,801	3,055	10,140	6
Feb. - 7	2,435	2,944	9,979	6
14	2,791	2,981	10,260	6
21	2,471	2,852	10,405	6
28	3,025	2,964	10,344	6
March 7	2,775	2,872	10,310	6
14	2,542	2,962	10,298	6
21	2,859	2,850	10,322	6
28	2,858	2,886	9,988	6
April - 4	2,544	2,843	9,344	6 ½
11	3,054	3,230	9,065	6 ½
18	3,432	3,203	9,606	6 ½
25	2,253	3,175	9,555	6 ½
May - 2	2,776	3,086	9,559	6 ½
9	2,949	3,021	9,808	6 ½
16	2,824	2,973	9,854	6 ½
23	2,451	2,902	9,805	6 ½
30	2,532	2,914	10,032	6 ½

RETURN of the Deposits of Bankers, and of the Private Customers of the Bank of *England*, &c.—*continued.*

MONTHLY AVERAGES.—FIRST PERIOD.

DATE.	DEPOSITS.		TOTAL BULLION.	DATE.	DEPOSITS.		TOTAL BULLION.
	Bankers.	Traders and Others.			Bankers.	Traders and Others.	
1846:	£. m.	£. m.	£. m.	1847:	£. m.	£. m.	£. m.
September -	1,381	3,283	16,305	March -	1,441	3,053	11,323
October -	1,476	3,198	15,249	April - -	1,782	3,001	9,664
November -	1,202	3,115	14,885	May - -	1,271	2,900	9,783
December -	1,306	2,927	15,097	June - -	1,179	2,676	10,408
				July - -	1,284	2,700	9,901
1847:				August -	1,244	2,648	9,230
				September -	1,173	2,758	8,884
				October -	1,686	3,116	8,431
January -	1,733	3,085	13,911	November -	1,922	3,023	9,635
February -	1,150	3,112	12,212	December -	1,752	2,894	11,672

MONTHLY AVERAGES.—SECOND PERIOD.

DATE.	DEPOSITS.		TOTAL BULLION.	DATE.	DEPOSITS.		TOTAL BULLION.
	Bankers.	Traders and Others.			Bankers.	Traders and Others.	
1853:	£. m.	£. m.	£. m.	1855:	£ . m.	£. m.	£. m.
July - -	2,488	4,641	18,082	July - -	3,779	4,072	16,985
August -	1,993	4,486	17,220	August -	3,146	4,127	16,042
September -	1,838	4,310	16,061	September -	2,711	3,831	13,823
October -	2,868	4,348	15,373	October -	2,819	3,670	11,641
November -	2,353	4,553	15,611	November -	2,723	3,353	11,234
December -	2,126	4,007	15,510	December -	2,619	3,153	11,083
1854:				1856:			
January -	2,666	4,052	16,055	January -	2,891	3,173	10,431
February -	2,805	4,109	16,242	February -	3,270	3,048	10,607
March -	2,092	3,765	15,189	March -	2,735	2,992	10,505
April - -	2,725	3,827	13,666	April - -	2,922	3,172	9,939
May - -	2,242	3,664	12,613	May - -	3,673	3,110	10,266
June - -	2,463	3,611	13,114	June - -	3,169	2,997	12,310
July - -	3,251	3,676	13,836	July - -	3,540	3,284	12,427
August -	2,575	3,609	13,549	August -	2,922	3,243	12,441
September -	2,582	3,519	13,240	September -	2,832	3,195	12,055
October -	3,365	3,591	13,216	October -	2,905	3,201	10,080
November -	2,897	3,375	13,577	November -	2,874	3,148	9,824
December -	2,555	3,356	13,979	December -	2,633	2,955	10,481
1855:				1857:			
January -	2,613	3,353	12,681				
February -	2,404	3,313	12,896	January -	2,926	3,043	10,146
March -	2,893	3,280	14,228	February -	2,680	2,935	10,247
April - -	4,126	3,488	15,164	March -	2,758	2,892	10,229
May - -	3,608	3,578	16,344	April - -	2,821	3,113	9,392
June - -	3,453	3,671	17,960	May - -	2,706	2,979	9,812

Appendix, No. 35.

Appendix, No. 35.

AN ACCOUNT of the AVERAGE BALANCES on MISCELLANEOUS OFFICIAL ACCOUNTS, not included in PUBLIC DEPOSITS, during the Years 1855 and 1856; also, on MISCELLANEOUS ACCOUNTS of an Official Character, not of Government Moneys.

AVERAGE AMOUNTS on MISCELLANEOUS ACCOUNTS, not included in PUBLIC DEPOSITS.

	1855.	1856.
	£.	£.
George Biddle Airy	100	100
British Guiana Guaranteed Loan Account (Colonial Money)	7,300	—
Ditto ditto Dividend Account	700	200
Edward Barnard, Agent-General, Crown Colonies	38,000	38,200
Canada Dividends (Colonial Money)	1,400	700
Canada Government Account (Colonial Money)	—	—
Lieut.-Colonel John Clark	8,700	1,400
Chief Clerk of Insolvent Debtors' Court	700	600
Collections, Fires in Quebec (Private)	100	100
Ditto ditto in Newfoundland (Private)	100	100
Colonial Land and Emigration Commissioners	18,300	13,900
Church Estates Commissioners	12,000	12,500
Copyhold, Inclosure, and Tithe Commissioners	- -	500
Ecclesiastical Commissioners	44,600	45,000
Commissioners, Exchequer Bills, West India Islands	4,500	6,100
Commissioners, Greenwich Hospital	16,000	23,400
Inclosure Commissioners, Private Money, Drainage Account	4,800	1,500
Commissioners, Loans, Public Works, and Fisheries	6,000	9,300
Ditto South Wales Turnpikes	200	200
Commissioners, Offices, House of Commons	3,500	3,200
Commissioners, Royal Military College	4,800	3,800
Commissioners, Woods, Forests, &c., Cash Account	33,500	29,600
Ditto ditto Drawing Account	4,000	1,800
Commissioners for Disafforesting Forest of Whittlewood	1,600	800
Ditto ditto Whichwood	1,000	1,700
Duke of Cornwall	800	2,000
Crown's Nominee	2,900	4,200
John Forbes, Staff Officer	300	300
Charles Holden, Staff Officer	600	500
Edward Houndle, Royal Military College	600	1,000
Jamaica Guaranteed Loan Account (Colonial Money)	59,000	1,200
Ditto Dividend Account (Colonial Money)	300	700
Francis P. Nott, Staff Officer	400	300
Official Trustees of Charitable Funds	200	1,300
Registrar of High Court of Admiralty	2,600	3,300
Receiver of Police Courts	4,900	6,500
Poor Law Board Account	1,100	400
Receiver-General and Accountant-General of Inland Revenue	100	—
Registrar of Joint Stock Companies	400	800
Clerk of the Parliaments, Act Parliament Account	3,900	4,200
St. Lucia Guaranteed Loan Account (Colonial Money)	—	—
Ditto Dividend Account	—	—

Appendix, No. 35.

	1855.	1856.
	£.	£.
Sargent and Bidwell, Act 10 Geo. 4, c. 20	2,100	2,100
Secretary and Comptroller-general of National Debt Office	1,000	800
Speaker of the House of Commons and Exchequer of Recognizances	200	—
Solicitor of the Treasury, Cash Account	3,500	4,500
Treasury Bills, Dominica	100	100
Trinidad Guaranteed Loan Account (Colonial Money)	100	—
Ditto - - - - Dividend Account (Colonial Money)	200	—
Thomas Walker (Private)	100	100
Walter Warde, Staff Officer	100	100
John Wilkin, Receiver of Hereditary Revenues of Crown	500	300
Laurence Williams	—	—
William Wood, Staff Officer	300	100
G. B. Shakespear, Paymaster Royal Academy, Woolwich	—	—
W. W. Willink, West India Islands, Relief	3,200	5,000
Ditto - - Public Works Loan Commissioners	3,000	4,900
	304,400	239,400
Master of the Mint	74,400	75,000
Metropolitan Police	22,700	21,200
£.	401,500	335,600

Miscellaneous Accounts of an Official Character, not of Government Moneys.

	1855.	1856.
	£.	£.
Accountant in Bankruptcy	67,200	58,300
Ditto Chief Registrar's Account	14,200	13,400
Ditto Unclaimed Dividend Account	1,500	400
Accountant-general Court of Chancery; Sale of Stock	—	—
Ditto - - - Litigated West India Compensation	1,400	1,500
Corporation Trinity House	7,100	6,100
East India Company	922,900	843,600
Charles Franks and Others, South Sea Stock	67,200	3,900
Guernsey Savings Banks	—	—
Railway and other Accounts	3,700	2,300
Suitors' Fund, Common Pleas	4,700	4,200
Ditto - Exchequer	10,700	10,900
Ditto - Queen's Bench	15,000	12,300
Trinity House, London, Public Account	30,000	30,100
Trustees of British Museum, Cash Account	12,700	14,200
Ditto - - - ditto - Drawing Account	2,300	3,800
£.	1,160,600	1,005,000

Recapitulation:

Total of Balances Miscellaneous Official Account	401,500	335,600
Ditto - - Official Character	1,160,600	1,005,000
£.	1,562,100	1,340,600

Bank of England,
22 May 1857.

M. Marshall,
Chief Cashier.

Appendix, No. 36.

Appendix, No. 36. A RETURN of the Amount of DUTY received for BANKERS' LICENCES in each Year from 1833 to 1856.

YEARS.	ENGLAND.	SCOTLAND.	IRELAND.	UNITED KINGDOM.
	£.	£.	£.	£.
1833 - - -	20,640	2,460	540	23,640
1834 - - -	21,840	2,700	660	25,200
1835 - - -	21,720	2,580	1,050	25,350
1836 - - -	24,810	2,790	1,560	29,160
1837 - - -	36,900	2,730	1,650	41,280
1838 - - -	21,540	2,730	1,620	25,890
1839 - - -	21,060	3,330	1,110	25,500
1840 - - -	21,390	3,330	1,050	25,770
1841 - - -	20,130	3,300	960	24,390
1842 - - -	19,650	2,910	930	23,490
1843 - - -	18,750	2,790	930	22,470
1844 - - -	18,540	3,150	930	22,620
1845 - - -	19,080	2,820	930	22,830
1846 - - -	18,480	3,510	720	22,710
1847 - - -	18,570	4,230	720	23,520
1848 - - -	18,210	3,900	720	22,830
1849 - - -	17,910	3,690	720	22,320
1850 - - -	17,640	4,770	720	23,130
1851 - - -	17,670	4,440	720	22,830
1852 - - -	17,550	4,860	720	23,130
1853 - - -	18,030	5,190	720	23,940
1854 - - -	17,850	6,240	930	25,02
1855 - - -	18,300	9,690	630	28,620
1856 - - -	18,330	11,490	630	30,450

Inland Revenue Office,
27 May 1857.

Appendix, No. 37.

A RETURN of the Amount received for COMPOSITION for STAMPS in *Great Britain* and *Ireland*, in each Year from 1833 to 1856.

YEARS.	GREAT BRITAIN.			IRELAND.			TOTAL, UNITED KINGDOM.
	BANK OF ENGLAND.	OTHER BANKERS.	TOTAL.	BANK OF IRELAND.	OTHER BANKERS.	TOTAL.	
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
1833 -	65,625 - -	6,862 5 6	72,487 5 6	13,846 3 1	1,552 16 -	15,398 19 1	87,886 4 7
1834 -	63,875 - -	10,630 10 6	74,505 10 6	13,846 3 1	1,757 1 8	15,603 4 9	90,108 15 3
1835 -	63,875 - -	16,842 14 -	80,717 14 -	13,846 3 1	2,200 2 6	16,046 5 7	96,763 19 7
1836 -	63,875 - -	21,831 7 6	85,706 7 6	13,846 3 1	3,004 1 -	16,850 4 1	102,556 11 7
1837 -	63,000 - -	27,559 - -	90,559 - -	13,846 3 1	3,082 11 6	16,928 14 7	107,487 14 7
1838 -	63,000 - -	28,317 2 -	91,317 2 -	13,846 3 1	3,081 18 1	16,923 1 2	108,245 3 2
1839 -	63,000 - -	33,351 - -	96,351 - -	9,370 11 -	3,779 14 -	13,150 5 -	109,501 5 -
1840 -	63,000 - -	32,987 10 6	95,987 10 6	4,876 1 -	3,610 13 -	8,486 14 -	104,474 4 6
1841 -	62,125 - -	30,703 4 -	92,828 4 -	4,618 7 -	3,278 17 -	7,897 4 -	100,725 8 -
1842 -	60,375 - -	26,079 12 9	86,454 12 9	4,718 17 -	3,296 18 6	8,015 15 6	94,470 8 3
1843 -	60,375 - -	24,069 6 -	84,444 6 -	10,649 16 -	5,820 12 6	16,470 8 6	100,914 14 6
1844 -	56,879 - -	26,616 6 10	83,495 6 10	11,557 14 -	7,593 5 -	19,150 19 -	102,646 5 10
1845 -	2,922 - -	26,626 6 6	29,548 6 6	12,948 19 -	9,540 16 6	22,489 15 6	52,038 2 -
1846 -	2,625 - -	28,757 2 -	31,382 2 -	14,304 3 -	10,514 3 6	24,818 6 6	56,200 8 6
1847 -	2,625 - -	29,006 17 6	31,631 17 6	14,523 12 -	10,035 11 -	24,559 3 -	56,191 - 6
1848 -	1,750 - -	24,688 - 6	26,438 - 6	11,355 15 -	7,203 7 -	18,559 2 -	44,997 2 6
1849 -	1,750 - -	24,333 18 6	26,083 18 6	9,690 9 -	6,372 9 -	16,062 18 -	42,146 16 6
1850 -	1,750 - -	24,505 1 6	26,255 1 6	8,918 14 -	6,741 7 -	15,660 1 -	41,915 2 6
1851 -	2,625 - -	25,213 5 6	27,838 5 6	9,068 10 -	6,563 11 -	15,632 1 -	43,470 6 6
1852 -	3,500 - -	25,171 9 -	28,671 9 -	8,556 2 -	7,669 - -	16,225 2 -	44,896 11 -
1853 -	3,500 - -	26,777 7 -	30,277 7 -	9,354 16 -	9,004 17 6	18,359 13 6	48,637 - 6
1854 -	3,500 - -	29,061 4 11	32,561 4 11	11,067 - -	11,360 9 6	22,427 9 6	54,988 14 5
1855 -	3,500 - -	31,929 5 5	35,429 5 5	11,361 7 -	11,378 13 6	22,740 - 6	58,169 5 11
1856 -	3,500 - -	34,929 6 6	38,429 6 6	11,755 2 -	12,433 6 -	24,188 8 -	62,617 14 6

Inland Revenue Office,
27 May 1857.

Appendix, No. 38. - - - - - - - - - - - - - - -

A RETURN of the STAMP DUTY on BILLS of EXCHANGE of each denomination in *England, Scotland, Ireland,* and the *United Kingdom,* - -

CHESHIRE:	1 *s.*	1 *s.* 6 *d.*	2 *s.*	2 *s.* 6 *d.*	3 *s.*	3 *s.* 6 *d.*	4 *s.*	4 *s.* 6 *d.*	5 *s.*	6 *s.*	7 *s.* 6 *d.*	8 *s.* 6 *d.*
	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
Year 1844 - - - - -	13 16 –	220 4 –	374 12 –	412 12 6	- - -	561 8 –	- - -	590 12 6	392 5 –	187 16 –	- - -	168 14 6
1845 - - - - -	11 18 –	193 8 6	361 10 –	432 2 6	- - -	619 13 6	- - -	621 – –	423 10 –	238 16 –	- - -	183 12 –
1846 - - - - -	12 8 –	196 19 –	343 16 –	423 2 6	- - -	620 14 6	- - -	633 12 –	440 15 –	264 6 –	- - -	249 1 –
1847 - - - - -	12 11 –	206 2 –	338 16 –	414 – –	- - -	579 19 –	- - -	653 8 –	467 5 –	251 2 –	- - -	250 15 –
1848 - - - - -	11 13 –	214 4 –	357 – –	413 – –	- - -	526 11 6	- - -	570 12 –	393 10 –	220 10 –	- - -	180 4 –
1849 - - - - -	15 18 –	220 19 –	368 16 –	408 15 –	- - -	525 – –	- - -	570 12 –	440 10 –	228 12 –	- - -	197 12 6
1850 - - - - -	16 7 –	234 15 –	392 16 –	425 7 6	- - -	577 13 6	- - -	615 7 6	497 15 –	297 12 –	- - -	268 3 6
1851 - - - - -	15 2 –	225 13 6	420 6 –	429 – –	- - -	610 1 –	- - -	633 16 6	506 5 –	279 6 –	- - -	260 19 –
1852 - - - - -	13 – –	210 4 6	413 2 –	471 10 –	- - -	596 12 –	- - -	618 1 6	472 – –	235 4 –	- - -	251 3 6
1853 - - - - -	13 2 –	185 15 6	377 12 –	444 15 –	- - -	569 12 6	- - -	621 9 –	492 10 –	265 4 –	- - -	275 15 6
1854, to 10th October - -	7 2 –	100 16 –	211 18 –	251 15 –	- - -	313 1 6	- - -	336 12 –	250 5 –	136 4 –	- - -	174 13 6

		1 *d.*	2 *d.*	3 *d.*	4 *d.*	6 *d.*	8 *d.*	9 *d.*	1 *s.*	1 *s.* 4 *d.*	1 *s.* 8 *d.*	2 *s.*	2 *s.* 6 *d.*
		£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
1854, from 10th Oct. -	Inland	61 13 11	20 18 10	82 10 9	- - -	164 8 –	- - -	100 7 9	118 19 –	- - -	- - -	209 6 –	- - -
	Foreign	1 – 5	– 8 8	– 15 9	- - -	1 3 –	- - -	1 – 3	3 4 –	- - -	- - -	2 8 –	- - -
Year 1855 - - -	Inland	39 10 5	21 6 10	103 18 9	- - -	194 16 6	- - -	87 16 6	131 7 –	- - -	- - -	247 10 –	- - -
	Foreign	– 16 –	1 3 10	2 10 9	- - -	4 2 –	- - -	1 18 3	6 1 –	- - -	- - -	19 12 –	- - -
Year 1856 - - -	Inland	41 7 –	25 7 8	106 6 –	- - -	197 10 6	- - -	87 17 3	133 14 –	- - -	- - -	265 2 –	- - -
	Foreign	2 17 7	1 3 –	1 13 9	- - -	3 12 6	- - -	3 – –	6 14 –	- - -	- - -	22 6 –	- - -

GLOUCESTERSHIRE:	1 *s.*	1 *s.* 6 *d.*	2 *s.*	2 *s.* 6 *d.*	3 *s.*	3 *s.* 6 *d.*	4 *s.*	4 *s.* 6 *d.*	5 *s.*	6 *s.*	7 *s.* 6 *d.*	8 *s.* 6 *d.*
	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
Year 1844 - - - - -	43 14 –	763 7 –	1,024 8 –	1,184 12 6	– 18 –	1,574 2 6	2 8 –	1,575 – –	914 15 –	436 4 –	1 10 –	489 3 6
1845 - - - - -	47 – –	821 14 –	1,162 18 –	1,338 15 –	– 9 –	1,788 7 –	2 4 –	1,712 5 –	1,049 15 –	588 12 –	3 – –	573 15 –
1846 - - - - -	45 8 –	744 7 6	1,104 8 –	1,244 15 –	– 9 –	1,703 2 –	1 16 –	1,644 19 6	986 15 –	520 4 –	3 7 6	547 8 –
1847 - - - - -	55 1 –	789 18 –	1,130 16 –	1,247 5 –	- - -	1,702 11 6	1 – –	1,684 16 –	1,010 5 –	555 12 –	1 10 –	575 – 6
1848 - - - - -	58 8 –	799 6 6	1,150 2 –	1,217 12 6	– 6 –	1,641 17 –	– 16 –	1,613 5 –	925 10 –	532 4 –	- - -	558 – 6
1849 - - - - -	96 3 –	790 19 –	1,145 6 –	1,229 7 6	1 1 –	1,624 17 6	– 8 –	1,610 2 –	894 – –	482 8 –	- - -	471 15 –
1850 - - - - -	73 7 –	688 2 –	1,075 14 –	1,121 17 6	1 1 –	1,485 4 6	– 16 –	1,500 1 6	854 – –	467 14 –	- - -	469 4 –
1851 - - - - -	38 6 –	707 12 6	1,108 14 –	1,204 12 6	2 8 –	1,610 7 –	– 12 –	1,568 5 –	903 10 –	492 – –	– 7 6	478 11 –
1852 - - - - -	38 7 –	697 14 –	1,188 10 –	1,202 10 –	1 10 –	1,604 5 –	1 12 –	1,559 5 –	940 – –	517 4 –	- - -	545 5 6
1853 - - - - -	34 11 –	669 18 –	1,300 14 –	1,293 – –	– 9 –	1,909 1 6	- - -	1,847 – 6	1,145 5 –	684 6 –	- - -	770 2 –
1854, to 10th October - -	17 7 –	340 10 –	676 2 –	698 5 –	1 7 –	953 18 6	1 – –	963 18 –	633 – –	383 2 –	– 15 –	451 15 6

		1 *d.*	2 *d.*	3 *d.*	4 *d.*	6 *d.*	8 *d.*	9 *d.*	1 *s.*	1 *s.* 4 *d.*	1 *s.* 8 *d.*	2 *s.*	2 *s.* 6 *d.*
		£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
1854, from 10th Oct. -	Inland	72 18 10	49 – 8	211 3 6	- - -	324 17 6	- - -	230 16 3	267 18 –	- - -	- - -	383 12 –	- - -
	Foreign	1 14 –	2 2 6	5 4 6	– 4 –	8 4 –	– 2 –	5 – 6	9 9 –	– 4 –	– 5 –	16 12 –	- - -
Year 1855 - - -	Inland	109 4 10	58 15 –	344 18 6	- - -	571 12 –	- - -	289 13 –	323 10 –	- - -	- - -	697 8 –	- - -
	Foreign	3 5 7	4 1 8	7 8 6	– 3 4	16 1 –	– 14 –	8 17 –	12 16 –	- - -	- - -	36 2 –	– 7 6
Year 1856 - - -	Inland	108 – 8	67 5 8	378 – 9	- - -	596 17 6	- - -	330 3 9	388 7 –	- - -	- - -	863 14 –	- - -
	Foreign	4 14 10	5 4 6	8 16 9	– 6 –	15 10 6	1 2 –	9 17 3	16 4 –	– 8 –	- - -	42 – –	- - -

Appendix, No. 38.

distinguishing the principal Commercial and Manufacturing Districts in the former Country, from 1844 to 1856.

10 *s.*	12 *s.* 6 *d.*	15 *s.*	£.1 5 *s.*	£.1 10 *s.*									Total.
£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
- -	114 7 6	34 10 -	7 10 -	4 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,082 18 -
- -	150 - -	81 15 -	15 - -	9 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,341 5 6
- -	155 12 6	94 10 -	40 - -	31 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,506 6 6
- -	197 10 -	104 5 -	63 15 -	39 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,578 8 -
- -	137 10 -	45 - -	15 - -	36 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,120 14 6
- -	128 15 -	39 - -	13 15 -	30 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,188 4 6
- -	146 17 6	36 - -	22 10 -	30 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,561 4 6
- -	156 17 6	39 15 -	10 - -	16 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,603 11 6
- -	211 5 -	47 5 -	7 10 -	15 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,561 17 6
- -	230 12 6	75 - -	47 10 -	33 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,631 18 -
- -	118 2 6	52 10 -	38 15 -	39 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	2,030 14 6

3 *s.*	3 *s.* 4 *d.*	4 *s.*	5 *s.*	6 *s.* 8 *d.*	7 *s.* 6 *d.*	10 *s.*	13 *s.* 4 *d.*	15 *s.*	£.1.	£.1 10 *s.*	£.2.	£.2 5 *s.*	
127 10 -	- - -	96 - -	87 15 -	- - -	94 17 6	97 - -	- - -	68 5 -	42 - -	66 - -	30 - -	69 15 -	1,537 6 9
2 14 -	- - -	2 4 -	2 10 -	- - -	1 2 6	3 - -	- - -	2 5 -	1 - -	- - -	- - -	- - -	24 15 7
169 10 -	- - -	117 12 -	122 10 -	- - -	122 5 -	137 - -	- - -	53 5 -	56 - -	58 10 -	10 - -	121 10 -	1,794 8 -
16 10 -	- - -	14 16 -	10 10 -	- - -	6 - -	13 - -	- - -	12 - -	17 - -	- - -	- - -	- - -	125 19 10
168 15 -	- - -	113 4 -	125 5 -	- - -	142 10 -	144 - -	- - -	103 10 -	108 - -	118 10 -	60 - -	234 - -	2,174 12 -
16 10 -	- - -	13 12 -	14 5 -	- - -	7 17 6	28 10 -	- - -	13 10 -	13 - -	- - -	- - -	- - -	148 11 4

10 *s.*	12 *s.* 6 *d.*	15 *s.*	£.1 5 *s.*	£.1 10 *s.*									Total.
£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
- - -	393 2 6	193 10 -	87 10 -	49 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	8,733 15 -
- 10 -	532 10 -	258 15 -	111 5 -	112 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	10,104 4 -
- - -	476 5 -	327 15 -	127 10 -	64 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	9,542 19 6
- - -	584 7 6	297 - -	217 10 -	87 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	9,939 12 6
- - -	435 - -	188 5 -	143 15 -	52 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	9,316 17 6
- - -	425 - -	185 5 -	192 10 -	60 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	9,209 2 -
- - -	470 - -	174 - -	166 5 -	52 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	8,599 16 -
- - -	493 15 -	213 - -	207 10 -	73 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	9,103 - 6
- - -	547 15 -	222 - -	127 10 -	43 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	9,236 17 6
- - -	691 - -	337 10 -	275 - -	73 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	11,031 7 -
- - -	361 5 -	176 5 -	133 15 -	52 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	5,844 15 -

3 *s.*	3 *s.* 4 *d.*	4 *s.*	5 *s.*	6 *s.* 8 *d.*	7 *s.* 6 *d.*	10 *s.*	13 *s.* 4 *d.*	15 *s.*	£.1.	£.1 10 *s.*	£.2.	£.2 5 *s.*	
257 8 -	- - -	192 4 -	168 - -	- - -	184 2 6	174 10 -	- - -	124 10 -	118 - -	103 10 -	28 - -	141 15 -	3,032 6 3
11 8 -	- - -	7 16 -	12 10 -	- - -	16 17 6	17 - -	- - -	7 10 -	6 - -	4 10 -	2 - -	- - -	134 13 -
453 12 -	- - -	282 4 -	273 5 -	- - -	380 12 6	369 10 -	- - -	273 15 -	283 - -	183 - -	76 - -	362 5 -	5,332 4 10
21 12 -	- - -	14 8 -	20 15 -	- - -	23 5 -	32 10 -	- - -	14 5 -	13 - -	10 10 -	4 - -	11 5 -	255 6 7
543 3 -	- - -	349 8 -	359 10 -	- - -	438 15 -	467 10 -	- - -	327 - -	339 - -	237 - -	74 - -	402 15 -	6,270 10 4
27 12 -	- 10 -	18 16 -	28 10 -	- - -	30 - -	37 10 -	- - -	22 10 -	21 - -	16 10 -	10 - -	9 - -	326 1 10

(continued)

RETURN of the Stamp Duty on Bills of Exchange of each Denomination in *England*, *Scotland*, *Ireland*, and the *United Kingdom*,

LANCASHIRE:	1 s.	1 s. 6 d.	2 s.	2 s. 6 d.	3 s.	3 s. 6 d.	4 s.	4 s. 6 d.	5 s.	6 s.	7 s. 6 d.	8 s. 6 d.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Year 1844	60 8 –	806 14 –	1,223 16 –	1,475 12 6	320 2 –	3,078 1 6	563 8 –	4,298 17 –	3,845 – –	2,445 6 –	47 12 6	3,580 12 6
1845	69 8 –	815 12 –	1,269 – –	1,817 17 6	310 4 –	3,332 16 6	582 8 –	4,539 16 –	3,985 – –	2,621 6 –	34 17 6	3,811 19 6
1846	72 12 –	827 7 6	1,473 – –	2,075 5 –	346 19 –	3,661 10 –	588 – –	4,993 13 –	4,190 – –	2,694 6 –	46 17 6	4,079 1 6
1847	73 12 –	834 – –	1,484 10 –	1,842 15 –	276 – –	3,530 2 –	575 12 –	4,610 10 6	3,809 5 –	2,442 14 –	61 10 –	3,854 6 6
1848	355 10 –	830 2 –	1,576 6 –	1,795 12 6	233 8 –	3,428 19 –	351 16 –	4,338 3 –	3,141 15 –	2,066 18 –	29 12 6	2,876 10 6
1849	1,048 15 –	933 10 6	1,566 4 –	2,237 10 –	278 8 –	3,662 17 6	420 – –	4,399 16 6	3,172 – –	1,882 6 –	16 17 6	2,793 10 –
1850	735 6 –	765 1 6	1,293 16 –	1,816 2 6	317 14 –	3,066 3 6	520 4 –	3,741 13 –	3,010 –	2,111 – –	29 2 6	2,753 17 –
1851	164 9 –	819 19 6	1,448 10 –	1,993 10 –	346 16 –	3,397 4 6	578 – –	4,164 13 –	3,377 15 –	2,130 12 –	30 15 –	3,313 6 –
1852	82 2 –	1,046 7 –	1,893 16 –	2,641 2 6	382 13 –	4,416 10 –	741 – –	4,726 5 –	4,396 15 –	2,927 – –	34 10 –	3,939 14 6
1853	79 11 –	1,180 – 6	2,077 2 –	2,382 2 6	445 4 –	4,566 13 –	601 16 –	5,825 10 –	4,684 10 –	3,265 10 –	34 17 6	5,327 8 6
1854, to 10th October	136 17 –	616 7 –	1,289 18 –	1,406 7 6	762 3 –	2,090 – 6	502 12 –	3,167 11 –	2,814 15 –	1,941 6 –	371 5 –	3,129 14 –

		1 d.	2 d.	3 d.	4 d.	6 d.	8 d.	9 d.	1 s.	1 s. 4 d.	1 s. 8 d.	2 s.	2 s. 6 d.
		£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
1854, from 10th Oct.	Inland	152 14 8	68 12 10	383 2 3	– – –	822 2 6	– – –	675 3 3	609 14 –	– – –	– – –	1,365 – –	– – –
	Foreign	55 12 7	69 10 6	119 13 3	44 3 –	169 4 –	96 16 8	174 9 9	634 3 –	126 12 –	205 10 –	1,021 18 –	102 15 –
Year 1855	Inland	228 16 11	101 13 10	609 12 9	– – –	1,408 8 6	– – –	821 13 3	1,043 14 –	– – –	– – –	2,588 18 –	– – –
	Foreign	61 8 8	70 9 8	169 14 9	52 1 –	376 9 6	179 13 4	280 15 3	855 10 –	152 8 –	140 16 8	1,955 12 –	190 2 6
Year 1856	Inland	110 7 10	204 18 4	647 7 3	– – –	1,462 – –	– – –	806 15 –	1,070 19 –	– – –	– – –	2,835 6 –	– – –
	Foreign	64 5 2	79 18 4	191 3 9	62 – 8	392 5 –	224 14 8	350 15 6	1,042 10 –	224 10 8	299 18 4	2,264 2 –	295 2 6

NORTHUMBERLAND:	1 s.	1 s. 6 d.	2 s.	2 s. 6 d.	3 s.	3 s. 6 d.	4 s.	4 s. 6 d.	5 s.	6 s.	7 s. 6 d.	8 s. 6 d.
	£. s. d.	£. s. d.	£. s. d	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Year 1844	15 15 –	425 18 6	739 2 –	973 5 –	40 1 –	1,825 5 –	39 – –	2,087 6 6	1,561 10 –	951 – –	– – –	1,232 18 6
1845	15 11 –	425 17 –	634 2 –	961 10 –	50 2 –	1,753 17 –	67 16 –	2,088 18 –	1,601 10 –	999 18 –	– – –	1,280 19 –
1846	13 9 –	399 – –	545 14 –	916 17 6	70 16 –	1,652 – –	83 4 –	2,146 5 6	1,680 15 –	1,019 14 –	– – –	1,428 – –
1847	13 4 –	339 10 6	489 14 –	801 2 6	113 17 –	1,566 19 –	89 12 –	2,215 7 –	1,706 10 –	1,051 16 –	– – –	1,440 15 –
1848	25 15 –	342 10 6	518 16 –	791 7 6	64 13 –	1,545 8 6	49 4 –	2,094 6 –	1,797 – –	834 12 –	– – –	950 14 6
1849	32 12 –	373 4 –	546 – –	878 10 –	54 3 –	1,557 6 6	19 12 –	2,006 6 6	1,802 – –	797 2 –	– – –	781 11 6
1850	32 6 –	388 13 –	561 4 –	875 12 6	88 1 –	1,574 13 –	32 12 –	2,044 16 –	1,654 15 –	869 14 –	– – –	871 5 –
1851	18 8 –	397 7 –	611 4 –	931 5 –	57 15 –	1,671 19 –	25 16 –	2,144 18 6	1,733 15 –	921 – –	1 10 –	986 – –
1852	15 1 –	426 18 –	611 2 –	901 10 –	68 2 –	1,568 10 6	20 4 –	2,067 19 6	1,713 – –	916 4 –	– – –	977 1 6
1853	8 18 –	325 7 –	522 12 –	789 7 6	87 12 –	1,444 5 –	36 16 –	1,927 7 –	1,595 – –	905 14 –	– – –	1,030 4 –
1854, to 10th October	13 7 –	143 8 –	243 2 –	350 2 6	76 13 –	737 19 6	49 4 –	1,070 6 6	878 10 –	555 12 –	14 5 –	714 8 6

		1 d.	2 d.	3 d.	4 d.	6 d.	8 d.	9 d.	1 s.	1 s. 4 d.	1 s. 8 d.	2 s.	2 s. 6 d.
		£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
1854, from 10th Oct.	Inland	8 1 6	12 17 10	74 9 3	– – –	190 19 6	– – –	178 1 9	210 18 –	– – –	– – –	488 8 –	– – –
	Foreign	4 15 3	14 3 10	31 8 –	17 8 –	40 2 6	29 6 8	44 14 –	80 – –	14 2 8	11 5 9	137 14 –	17 10 –
Year 1855	Inland	12 10 9	16 – 2	125 12 –	– – –	367 4 6	– – –	292 4 9	356 8 –	– – –	– – –	1,011 4 –	– – –
	Foreign	9 7 4	19 14 8	38 15 3	14 – 8	67 12 6	62 – –	62 9 6	134 15 –	19 10 8	15 5 –	254 12 –	9 10 –
Year 1856	Inland	11 7 9	15 6 –	148 11 3	– – –	389 4 6	– – –	325 4 9	403 12 –	– – –	– – –	1,114 18 –	– – –
	Foreign	9 2 11	17 18 –	38 16 6	14 18 4	67 6 6	42 4 –	52 – 3	141 11 –	27 13 4	23 10 –	302 6 –	17 2 6

distinguishing the principal Commercial and Manufacturing Districts in the former Country, from 1844 to 1856—*continued.*

10*s.*	12*s.* 6*d.*	15*s.*	£.1 5*s.*	£.1 10*s.*										Total.
£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
3 – –	4,572 8 –	2,797 10 –	1,701 5 –	2,530 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	33,350 3 –
3 10 –	5,401 19 6	3,528 – –	2,152 – –	2,979 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	37,254 14 6
9 – –	5,277 10 –	3,614 10 –	2,206 5 –	3,075 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	39,231 6 6
8 10 –	5,168 15 –	3,303 15 –	1,833 15 –	2,406 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	36,115 12 –
3 10 –	2,927 10 –	1,869 15 –	1,325 – –	1,272 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	28,422 7 6
2 10 –	3,200 7 6	1,839 5 –	1,146 5 –	1,204 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	29,804 12 6
1 – –	3,334 15 –	2,108 15 –	1,367 10 –	2,004 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	28,976 – –
4 – –	4,136 17 6	2,742 10 –	1,611 5 –	2,280 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	32,540 2 6
1 – –	4,748 15 –	3,310 – –	1,910 – –	2,362 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	39,560 – –
32 10 –	6,735 12 –	4,953 5 –	3,072 10 –	3,513 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	48,777 2 –
249 – –	4,244 7 6	3,216 15 –	1,947 10 –	2,490 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	30,376 8 6

3*s.*	3*s.* 4*d.*	4*s.*	5*s.*	6*s.* 8*d.*	7*s.* 6*d.*	10*s.*	13*s.* 4*d.*	15*s.*	£.1.	£.1 10*s.*	£.2.	£.2 5*s.*	
847 10 –	- - -	951 4 –	1,054 10 –	- - -	1,332 15 –	1,598 – –	- - -	1,415 5 –	1,845 – –	2,208 – –	998 – –	2,317 10 –	18,644 3 6
906 9 –	129 16 8	700 – –	1,033 10 –	98 6 8	941 5 –	1,617 – –	107 6 8	1,053 15 –	763 – –	883 10 –	412 – –	747 – –	12,213 6 9
2,058 18 –	- - -	1,620 16 –	1,940 5 –	- - -	2,767 17 6	3,505 – –	- - -	3,132 15 –	3,452 – –	4,216 10 –	1,830 – –	3,804 15 –	35,131 13 9
2,013 3 –	133 – –	1,369 4 –	1,854 – –	39 6 8	1,851 7 6	2,533 10 –	9 6 8	1,549 10 –	1,431 – –	1,315 10 –	358 – –	1,190 5 –	20,132 4 2
2,296 7 –	- - -	1,739 4 –	2,219 5 –	- - -	3,087 15 –	3,773 10 –	- - -	3,585 15 –	3,880 – –	4,542 – –	2,024 – –	4,434 15 –	38,720 4 5
2,133 12 –	236 16 8	1,575 8 –	2,203 15 –	47 13 4	2,179 17 6	3,229 10 –	17 6 8	1,710 15 –	1,829 – –	1,971 – –	808 – –	1,505 5 –	24,939 5 9

10*s.*	12*s.* 6*d.*	15*s.*	£.1 5*s.*	£.1 10*s.*										Total.
£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
- - -	1,288 2 6	559 10 –	143 15 –	112 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	11,994 19 –
- - -	1,324 7 6	575 5 –	211 5 –	166 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	12,157 7 6
- - -	1,417 10 –	670 10 –	178 15 –	207 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	12,429 10 –
- - -	1,348 15 –	518 5 –	243 15 –	229 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	12,168 12 –
- - -	918 2 6	355 10 –	148 15 –	225 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	10,661 14 6
- - -	756 5 –	285 15 –	140 – –	195 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	10,225 7 6
- - -	803 2 6	319 10 –	135 – –	159 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	10,410 4 –
- - -	1,036 5 –	378 15 –	148 15 –	190 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	11,255 2 6
- - -	993 2 6	378 15 –	188 15 –	163 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	11,009 15 –
- - -	1,085 – –	461 10 –	242 10 –	127 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	10,589 12 6
17 – –	686 5 –	282 – –	117 10 –	63 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	6,012 13 –

3*s.*	3*s.* 4*d.*	4*s.*	5*s.*	6*s.* 8*d.*	7*s.* 6*d.*	10*s.*	13*s.* 4*d.*	15*s.*	£.1.	£.1 10*s.*	£.2.	£.2 5*s.*	
382 10 –	- - -	304 4 –	274 5 –	- - -	349 10 –	321 – –	- - -	190 10 –	190 – –	141 – –	82 – –	87 15 –	3,486 9 10
104 14 –	3 – –	81 16 –	90 10 –	3 6 8	67 10 –	40 10 –	- - -	30 – –	15 – –	13 10 –	- - -	6 15 –	899 2 4
711 9 –	- - -	512 8 –	555 15 –	- - -	756 – –	694 – –	- - -	491 5 –	358 – –	300 – –	102 – –	301 10 –	6,963 11 2
152 2 –	6 13 4	90 16 –	117 15 –	- - -	115 17 6	71 – –	- - -	28 10 –	16 – –	7 10 –	2 – –	4 10 –	1,320 6 5
709 14 –	- - -	547 12 –	602 – –	- - -	835 2 6	718 – –	- - -	540 15 –	386 – –	354 – –	60 – –	184 10 –	7,355 17 9
186 9 –	17 3 4	123 16 –	110 – –	1 – –	118 10 –	88 10 –	- - -	45 – –	20 – –	9 – –	4 – –	2 5 –	1,480 2 8

RETURN of the Stamp Duty on Bills of Exchange of each Denomination in *England, Scotland, Ireland,* and the *United Kingdom,*

NOTTINGHAMSHIRE:	1 *s.*	1 *s.* 6 *d.*	2 *s.*	2 *s.* 6 *d.*	3 *s.*	3 *s.* 6 *d.*	4 *s.*	4 *s.* 6 *d.*	5 *s.*	6 *s.*	7 *s.* 6 *d.*	8 *s.* 6 *d.*
	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
Year 1844	96 9 –	290 2 –	335 6 –	439 7 6	9 – –	605 17 –	9 8 –	593 15 6	374 10 –	204 18 –	– – –	235 17 6
1845	87 16 –	289 12 6	319 6 –	423 2 6	11 11 –	596 8 –	9 4 –	629 6 6	393 – –	239 2 –	– – –	229 1 6
1846	66 3 –	252 9 –	307 14 –	391 15 –	15 – –	522 – 6	11 16 –	591 1 6	417 – –	242 8 –	– – –	255 17 –
1847	68 3 –	260 15 6	314 2 –	395 15 –	20 17 –	540 1 –	11 8 –	551 18 6	417 10 –	261 – –	– – –	277 19 –
1848	47 18 –	254 17 –	324 18 –	367 2 6	15 3 –	515 – 6	12 16 –	547 8 6	406 10 –	221 8 –	– – –	222 5 6
1849	51 2 –	231 7 6	287 10 –	358 2 6	10 10 –	530 12 –	1 – –	553 12 6	412 – –	245 14 –	– – –	237 6 –
1850	84 3 –	213 2 6	257 6 –	330 15 –	9 15 –	517 6 6	4 – –	606 12 –	380 5 –	228 – –	– – –	294 10 6
1851	28 10 –	203 18 6	258 10 –	326 5 –	12 15 –	531 9 6	6 8 –	653 17 –	456 5 –	258 – –	– – –	310 13 6
1852	18 18 –	202 7 –	258 4 –	353 17 6	19 19 –	549 3 –	13 4 –	669 7 6	567 10 –	296 14 –	– – –	344 13 6
1853	20 6 –	194 5 –	252 14 –	359 – –	20 2 –	567 – –	12 – –	690 1 6	636 10 –	367 16 –	– – –	420 15 6
1854, to 10th October	9 15 –	111 15 –	151 16 –	187 2 6	9 – –	329 7 –	7 16 –	445 1 –	356 5 –	175 16 –	– – –	196 15 6

		1 *d.*	2 *d.*	3 *d.*	4 *d.*	6 *d.*	8 *d.*	9 *d.*	1 *s.*	1 *s.* 4 *d.*	1 *s.* 8 *d.*	2 *s.*	2 *s.* 6 *d.*
		£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
1854, from 10th Oct.	Inland	24 1 10	16 7 8	62 17 –	– – –	98 3 –	– – –	66 9 9	85 10 –	– – –	– – –	160 14 –	– – –
	Foreign	1 15 6	3 7 6	6 19 3	3 7 8	9 17 6	5 5 4	9 14 3	19 10 –	1 16 –	1 6 8	45 14 –	– 7 6
Year 1855	Inland	20 19 5	21 19 8	108 13 6	– – –	185 16 6	– – –	106 11 6	136 5 –	– – –	– – –	385 2 –	– – –
	Foreign	2 8 9	6 3 8	12 12 6	5 12 8	23 13 –	17 9 4	17 11 9	43 6 –	2 1 4	2 – –	99 18 –	2 12 6
Year 1856	Inland	23 2 4	33 4 8	127 17 9	– – –	229 10 –	– – –	149 15 6	207 2 –	– – –	– – –	530 8 –	– – –
	Foreign	2 15 8	6 7 6	16 11 9	4 15 –	27 1 6	9 8 8	23 3 6	59 13 –	3 16 –	2 10 –	129 6 –	1 5 –

STAFFORDSHIRE:	1 *s.*	1 *s.* 6 *d.*	2 *s.*	2 *s.* 6 *d.*	3 *s.*	3 *s.* 6 *d.*	4 *s.*	4 *s.* 6 *d.*	5 *s.*	6 *s.*	7 *s.* 6 *d.*	8 *s.* 6 *d.*
	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
Year 1844	22 12 –	329 17 –	665 2 –	752 17 6	– – –	1,114 11 6	– – –	1,325 – –	1,013 – –	556 16 –	– – –	646 – –
1845	19 7 –	309 13 6	632 18 –	754 17 6	– – –	1,219 4 6	– – –	1,472 8 6	1,185 15 –	658 16 –	– – –	788 7 6
1846	15 12 –	304 2 6	644 16 –	826 – –	– – –	1,289 11 6	– – –	1,486 2 6	1,220 – –	762 – –	– – –	850 17 –
1847	17 19 –	312 10 6	650 14 –	849 2 6	– – –	1,284 17 –	– – –	1,546 19 6	1,222 5 –	741 18 –	– – –	858 14 –
1848	19 10 –	348 10 6	700 2 –	815 – –	– – –	1,233 1 –	– – –	1,418 8 –	1,075 – –	651 6 –	– – –	711 11 6
1849	20 12 –	349 8 6	721 10 –	797 5 –	– – –	1,198 8 –	– – –	1,440 4 6	1,116 – –	714 6 –	– – –	782 17 –
1850	20 3 –	313 19 –	706 14 –	805 5 –	– – –	1,207 17 –	– 4 –	1,462 14 6	1,202 10 –	725 8 –	– – –	852 19 6
1851	27 19 –	295 14 6	680 4 –	824 2 6	– – –	1,253 6 6	– – –	1,483 13 –	1,164 – –	702 6 –	– – –	833 10 6
1852	31 7 –	300 10 6	680 6 –	846 2 6	– – –	1,292 – 6	– – –	1,588 19 –	1,299 15 –	678 12 –	– – –	716 19 6
1853	43 – –	276 10 –	605 – –	783 – –	– – –	1,137 15 6	– – –	1,503 11 6	1,303 15 –	732 16 –	– – –	944 7 –
1854, to 10th October	28 17 –	138 16 6	313 4 –	425 7 6	– – –	640 10 –	– – –	839 18 6	773 – –	451 10 –	– – –	612 17 –

		1 *d.*	2 *d.*	3 *d.*	4 *d.*	6 *d.*	8 *d.*	9 *d.*	1 *s.*	1 *s.* 4 *d.*	1 *s.* 8 *d.*	2 *s.*	2 *s.* 6 *d.*
		£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
1854, from 10th Oct.	Inland	20 16 2	31 9 8	85 4 –	– – –	169 18 6	– – –	122 16 3	179 11 –	– – –	– – –	331 2 –	– – –
	Foreign	1 – 4	1 17 6	4 3 9	1 16 –	7 15 6	3 2 8	6 5 3	22 16 –	4 2 8	3 13 4	34 18 –	6 2 6
Year 1855	Inland	13 11 5	21 5 –	172 11 3	– – –	318 14 6	– – –	197 15 6	274 14 –	– – –	– – –	637 4 –	– – –
	Foreign	2 2 3	3 9 4	6 10 6	1 4 –	16 5 6	3 14 –	13 13 –	26 5 –	1 6 8	1 11 8	66 – –	3 15 –
Year 1856	Inland	15 19 4	31 7 2	206 17 3	– – –	373 10 6	– – –	209 1 3	288 17 –	– – –	– – –	733 2 –	– – –
	Foreign	2 14 –	3 5 10	7 16 3	– 16 –	21 4 –	1 10 –	12 17 3	45 3 –	– 16 –	1 6 8	96 10 –	1 15 –

distinguishing the principal Commercial and Manufacturing Districts in the former Country, from 1844 to 1856—*continued.*

10 *s.*	12 *s.* 6 *d.*	15 *s.*	£. 1 5 *s.*	£. 1 10 *s.*									Total.
£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
- - -	165 12 6	51 15 -	43 15 -	15 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,470 13 -
- - -	162 10 -	42 15 -	47 10 -	24 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,504 5 -
- - -	174 7 6	73 10 -	51 5 -	27 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,399 6 6
- - -	168 2 6	63 - -	48 15 -	19 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,418 16 6
- - -	142 10 -	76 10 -	18 15 -	10 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,183 12 -
- - -	161 5 -	69 - -	27 10 -	7 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,184 1 6
- - -	220 - -	75 - -	52 10 -	7 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,280 15 6
- - -	312 10 -	130 10 -	67 10 -	19 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,576 11 6
- - -	306 5 -	145 10 -	68 15 -	24 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	3,838 7 6
- - -	421 17 6	231 - -	121 5 -	36 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	4,350 12 6
- - -	256 17 6	141 - -	60 - -	30 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	2,468 6 6

3 *s.*	3 *s.* 4 *d.*	4 *s.*	5 *s.*	6 *s.* 8 *d.*	7 *s.* 6 *d.*	10 *s.*	13 *s.* 4 *d.*	15 *s.*	£. 1.	£. 1 10 *s.*	£. 2.	£. 2 5 *s.*	
116 5 -	- - -	85 16 -	85 - -	- - -	92 5 -	119 10 -	- - -	78 - -	58 - -	48 - -	32 - -	4 10 -	1,233 9 3
37 19 -	2 10 -	23 16 -	24 - -	- - -	23 12 6	18 10 -	- - -	9 - -	- - -	- - -	- - -	- - -	248 8 8
238 10 -	- - -	151 12 -	149 5 -	- - -	163 17 6	249 - -	- - -	113 5 -	154 - -	105 - -	30 - -	45 - -	2,364 17 1
72 3 -	1 - -	50 12 -	49 - -	- - -	46 2 6	54 - -	- - -	8 5 -	3 - -	- - -	- - -	- - -	519 12 -
369 9 -	- - -	252 16 -	253 10 -	- - -	304 17 6	349 10 -	- - -	186 15 -	216 - -	136 10 -	22 - -	40 10 -	3,432 17 9
98 17 -	1 - -	64 4 -	66 10 -	- - -	54 7 6	90 - -	- - -	30 - -	9 - -	3 - -	- - -	4 10 -	708 2 1

10 *s.*	12 *s.* 6 *d.*	15 *s.*	£. 1 5 *s.*	£. 1 10 *s.*									Total.
£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
- - -	448 2 6	174 15 -	85 5 -	61 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	7,195 8 6
- - -	562 10 -	268 10 -	83 15 -	99 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	8,055 2 6
- - -	625 - -	287 5 -	115 - -	93 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	8,519 6 6
- - -	641 5 -	322 10 -	119 10 -	111 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	8,679 4 6
- - -	491 17 6	222 - -	97 10 -	108 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	7,891 16 6
- - -	579 7 6	215 5 -	80 - -	96 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	8,111 3 6
- - -	649 7 6	224 5 -	83 15 -	67 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	8,322 11 6
- - -	638 2 6	220 10 -	55 - -	54 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	8,232 8 6
- - -	691 5 -	310 10 -	102 10 -	94 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	8,633 7 -
- - -	906 5 -	485 5 -	133 15 -	160 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	9,015 10 -
- - -	683 15 -	425 5 -	135 - -	100 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	5,568 10 6

3 *s.*	3 *s.* 4 *d.*	4 *s.*	5 *s.*	6 *s.* 8 *d.*	7 *s.* 6 *d.*	10 *s.*	13 *s.* 4 *d.*	15 *s.*	£. 1.	£. 1 10 *s.*	£. 2.	£. 2 5 *s.*	
258 6 -	- - -	230 4 -	186 10 -	- - -	282 15 -	185 10 -	- - -	213 15 -	156 - -	144 - -	88 - -	72 - -	2,757 17 7
31 19 -	5 10 -	23 16 -	46 15 -	5 13 4	23 12 6	52 - -	- - -	21 - -	19 - -	6 - -	- - -	2 5 -	335 4 4
427 13 -	- - -	323 8 -	308 5 -	- - -	375 7 6	306 - -	- - -	229 10 -	231 - -	141 - -	68 - -	144 - -	4,189 19 2
62 11 -	2 10 -	46 4 -	82 15 -	1 - -	49 17 6	108 10 -	- - -	38 5 -	30 - -	13 10 -	2 - -	4 10 -	587 9 5
471 15 -	- - -	391 4 -	409 - -	- - -	489 15 -	404 - -	- - -	348 - -	195 - -	166 10 -	88 - -	99 - -	4,920 18 6
68 17 -	- 6 8	51 8 -	102 5 -	- - -	60 - -	108 - -	- - -	45 15 -	27 - -	19 10 -	6 - -	9 - -	693 15 8

(*continued*)

RETURN of the Stamp Duty on Bills of Exchange of each Denomination in *England, Scotland, Ireland,* and the *United Kingdom,*

WARWICKSHIRE:	1 *s.*	1 *s.* 6 *d.*	2 *s.*	2 *s.* 6 *d.*	3 *s.*	3 *s.* 6 *d.*	4 *s.*	4 *s.* 6 *d.*	5 *s.*	6 *s.*	7 *s.* 6 *d.*	8 *s.* 6 *d.*
	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
Year 1844	209 18 –	731 14 –	1,185 18 –	1,346 15 –	15 6 –	1,792 10 6	5 12 –	1,904 3 6	1,123 – –	532 4 –	1 2 6	526 11 6
1845	244 14 –	705 – –	1,212 2 –	1,410 12 6	36 9 –	1,943 15 6	25 12 –	2,100 12 –	1,330 15 –	669 18 –	– – –	665 19 6
1846	284 4 –	791 9 6	1,315 18 –	1,538 5 –	33 6 –	2,250 3 6	30 8 –	2,648 11 6	1,507 5 –	778 8 –	1 2 6	848 14 6
1847	316 1 –	833 1 6	1,401 18 –	1,621 5 –	35 8 –	2,297 1 –	28 4 –	2,630 – 6	1,717 15 –	786 8 –	– 15 –	919 5 6
1848	277 4 –	876 3 –	1,686 4 –	1,795 17 6	19 1 –	2,470 2 –	20 – –	2,881 7 –	1,383 10 –	782 2 –	– 15 –	855 19 –
1849	281 16 –	849 13 6	1,760 16 –	1,882 17 6	16 1 –	2,466 9 6	17 4 –	2,598 10 6	1,611 5 –	736 16 –	4 2 6	830 – 6
1850	326 10 –	815 1 6	1,618 16 –	1,881 – –	12 15 –	2,537 6 6	20 12 –	2,638 14 6	1,731 5 –	775 10 –	– 15 –	833 7 –
1851	369 18 –	869 19 6	1,730 18 –	1,923 12 6	27 15 –	2,647 11 –	26 4 –	2,785 19 –	1,860 5 –	894 6 –	1 10 –	1,020 4 6
1852	404 8 –	869 9 6	1,717 8 –	1,958 5 –	24 12 –	2,649 5 6	33 8 –	2,844 16 6	1,956 10 –	952 2 –	3 – –	1,039 19 6
1853	413 19 –	847 17 6	1,603 10 –	1,998 2 6	28 19 –	2,792 17 –	39 16 –	3,246 18 6	2,313 – –	1,150 16 –	5 5 –	1,341 17 6
1854, to 10th October	259 4 –	402 13 6	847 2 –	944 7 6	99 5 –	1,417 6 6	89 12 –	1,579 19 –	1,277 10 –	627 6 –	47 12 6	745 – 6

		1 *d.*	2 *d.*	3 *d.*	4 *d.*	6 *d.*	8 *d.*	9 *d.*	1 *s.*	1 *s.* 4 *d.*	1 *s.* 8 *d.*	2 *s.*	2 *s.* 6 *d.*
		£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
1854, from 10th Oct.	Inland	43 1 4	64 19 4	278 2 9	– – –	513 4 6	– – –	357 6 9	365 – –	– – –	– – –	503 16 –	– – –
	Foreign	5 2 11	10 – 2	29 8 2	12 4 –	42 7 6	24 19 4	42 19 3	120 18 –	18 4 –	32 10 –	75 2 –	23 17 6
Year 1855	Inland	50 19 8	72 5 2	515 13 9	– – –	839 10 –	– – –	441 17 3	580 3 –	– – –	– – –	960 8 –	– – –
	Foreign	6 12 11	15 1 10	32 14 9	11 5 –	82 6 –	26 12 –	40 4 9	219 14 –	9 16 –	12 3 4	151 2 –	14 5 –
Year 1856	Inland	58 15 3	72 10 6	556 15 3	– – –	913 17 –	– – –	502 16 9	624 17 –	– – –	– – –	1,095 4 –	– – –
	Foreign	4 5 8	11 3 6	30 7 9	7 4 4	65 1 –	23 10 8	44 3 6	287 17 –	10 5 4	6 13 4	166 – –	11 12 6

YORKSHIRE:	1 *s.*	1 *s.* 6 *d.*	2 *s.*	2 *s.* 6 *d.*	3 *s.*	3 *s.* 6 *d.*	4 *s.*	4 *s.* 6 *d.*	5 *s.*	6 *s.*	7 *s.* 6 *d.*	8 *s.* 6 *d.*
	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
Year 1844	425 3 –	1,289 12 –	1,549 14 –	1,933 10 –	34 3 –	2,776 18 –	63 16 –	2,968 7 6	2,630 5 –	1,724 18 –	6 15 –	1,982 5 –
1845	627 12 –	1,292 15 6	1,431 4 –	1,941 17 6	54 16 –	2,973 13 6	56 8 –	3,386 9 6	2,984 10 –	2,025 6 –	11 5 –	2,330 13 6
1846	790 9 –	1,525 5 6	1,639 10 –	2,021 10 –	47 8 –	3,257 17 6	98 12 –	3,718 – 6	3,163 10 –	2,037 – –	3 15 –	2,509 2 –
1847	474 13 –	1,364 8 6	1,570 12 –	2,080 17 6	156 12 –	3,073 12 –	146 16 –	3,529 8 –	2,776 5 –	1,870 6 –	6 – –	3,594 10 –
1848	286 3 –	1,232 6 6	1,490 6 –	2,576 – –	27 3 –	2,951 17 –	33 – –	3,379 12 –	2,918 – –	1,633 10 –	5 5 –	1,960 3 6
1849	266 9 –	1,168 12 –	1,725 16 –	2,191 10 –	58 10 –	3,069 14 –	42 16 –	3,645 15 6	2,821 5 –	1,654 4 –	3 7 6	1,971 9 6
1850	265 12 –	1,332 4 6	1,817 18 –	2,303 15 –	72 – –	3,413 1 6	87 12 –	4,170 11 –	3,347 10 –	1,940 2 –	3 15 –	2,398 12 6
1851	255 16 –	1,299 8 –	1,930 4 –	2,451 17 6	65 17 –	3,733 8 –	69 16 –	4,286 5 6	3,437 5 –	2,087 7 –	2 12 6	2,292 1 –
1852	401 19 –	1,275 18 6	1,805 18 –	2,435 10 –	79 7 –	3,694 15 6	347 12 –	3,972 4 –	3,412 – –	1,958 14 –	– – –	2,365 6 6
1853	261 9 –	1,164 4 6	1,701 8 –	2,218 – –	102 16 –	3,383 18 6	106 12 –	4,151 15 –	3,479 15 –	2,037 6 –	22 12 6	2,888 2 –
1854, to 10th October	226 6 –	648 9 –	1,122 16 –	1,314 10 –	190 19 –	2,028 1 6	175 8 –	2,544 10 6	2,246 10 –	1,184 14 –	156 15 –	1,521 18 6

		1 *d.*	2 *d.*	3 *d.*	4 *d.*	6 *d.*	8 *d.*	9 *d.*	1 *s.*	1 *s.* 4 *d.*	1 *s.* 8 *d.*	2 *s.*	2 *s.* 6 *d.*
		£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
1854, from 10th Oct.	Inland	77 12 –	76 16 –	331 7 6	– – –	637 14 6	– – –	475 4 –	514 7 –	– – –	– – –	910 – –	– – –
	Foreign	11 4 6	21 2 4	43 5 3	14 6 4	81 17 –	35 16 –	80 – 6	165 1 –	18 17 4	12 10 –	345 18 –	5 7 6
Year 1855	Inland	46 4 6	92 4 2	546 16 4	– – –	1,112 5 –	– – –	626 10 3	830 14 –	– – –	– – –	2,204 12 –	– – –
	Foreign	15 8 10	25 – 6	68 11 3	16 1 –	143 7 6	64 11 4	110 4 6	245 1 –	15 17 4	26 11 8	652 4 –	21 10 –
Year 1856	Inland	62 6 11	115 7 4	639 8 6	– – –	1,282 17 6	– – –	763 – 3	1,028 1 –	– – –	– – –	2,497 18 –	– – –
	Foreign	17 1 2	32 9 4	81 6 9	18 19 –	172 3 6	67 16 8	140 19 3	324 7 –	34 9 4	31 15 –	791 8 –	18 17 6

distinguishing the principal Commercial and Manufacturing Districts in the former Country, from 1844 to 1856—*continued.*

10 *s.*	12 *s.* 6 *d.*	15 *s.*	£. 1 5 *s.*	£. 1 10 *s.*									Total.
£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
- - -	413 2 6	186 - -	38 15 -	36 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	10,048 12 6
- - -	570 - -	235 10 -	52 10 -	27 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	11,230 9 6
- - -	750 - -	272 - -	72 10 -	45 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	13,167 5 6
- - -	823 2 6	317 10 -	101 5 -	72 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	13,901 - -
- - -	697 10 -	211 10 -	58 15 -	57 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	14,072 19 6
- - -	642 10 -	233 5 -	52 10 -	52 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	14,036 7 -
- - -	754 7 6	337 10 -	86 5 -	46 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	14,416 5 -
- - -	831 5 -	388 10 -	77 10 -	37 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	15,492 17 6
- - -	948 4 6	351 - -	96 5 -	58 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	15,907 3 -
- - -	1,293 12 6	644 5 -	169 15 -	153 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	18,043 10 6
23 10 -	809 7 6	342 15 -	122 10 -	57 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	9,692 1 -

3 *s.*	3 *s.* 4 *d.*	4 *s.*	5 *s.*	6 *s.* 8 *d.*	7 *s.* 6 *d.*	10 *s.*	13 *s.* 4 *d.*	15 *s.*	£. 1.	£. 1 10 *s.*	£. 2.	£. 2 5 *s.*	
360 6 -	- - -	253 16 -	321 10 -	- - -	307 10 -	330 - -	- - -	400 10 -	160 - -	126 - -	50 - -	42 15 -	4,477 17 8
57 18 -	24 3 4	36 8 -	95 15 -	9 13 4	45 - -	101 - -	4 - -	43 10 -	36 - -	18 - -	6 - -	6 15 -	921 15 6
527 11 -	- - -	350 16 -	367 5 -	- - -	535 2 6	462 10 -	- - -	357 15 -	243 - -	217 10 -	94 - -	114 15 -	6,731 1 4
111 15 -	7 - -	64 12 -	127 10 -	6 - -	93 7 6	215 10 -	- - -	63 - -	45 - -	19 10 -	4 - -	2 5 -	1,381 7 1
646 4 -	- - -	423 8 -	421 15 -	- - -	708 15 -	607 - -	- - -	543 - -	312 - -	229 10 -	106 - -	117 - -	7,939 7 9
142 7 -	5 3 4	90 12 -	146 15 -	6 6 8	117 7 6	242 10 -	- - -	92 5 -	72 - -	31 10 -	8 - -	4 10 -	1,627 11 1

10 *s.*	12 *s.* 6 *d.*	15 *s.*	£. 1 5 *s.*	£. 1 10 *s.*									Total.
£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
- - -	1,532 8 6	642 15 -	203 15 -	121 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	19,885 15 -
- - -	2,216 6 -	819 10 -	291 5 -	190 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	22,634 1 6
1 - -	2,037 10 -	783 15 -	258 15 -	216 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	24,108 19 6
- - -	2,300 - -	862 10 -	221 5 -	151 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	23,179 5 -
- - -	1,634 15 -	543 10 -	153 15 -	115 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	20,940 16 -
- - -	1,641 2 6	584 5 -	102 10 -	63 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	21,010 6 -
- - -	2,145 15 -	842 5 -	245 - -	177 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	24,562 13 6
- - -	2,111 17 6	881 - -	218 15 -	132 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	25,255 9 6
- - -	2,115 1 -	1,033 10 -	232 10 -	166 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	25,296 15 6
5 - -	2,694 1 6	1,366 - -	446 15 -	273 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	26,282 15 -
157 10 -	1,483 2 6	729 15 -	241 5 -	162 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	16,134 10 -

3 *s.*	3 *s.* 4 *d.*	4 *s.*	5 *s.*	6 *s.* 8 *d.*	7 *s.* 6 *d.*	10 *s.*	13 *s.* 4 *d.*	15 *s.*	£. 1.	£. 1 10 *s.*	£. 2.	£. 2 5 *s.*	
611 14 -	- - -	470 16 -	450 - -	- - -	645 - -	601 10 -	- - -	461 5 -	443 - -	280 10 -	120 - -	205 - -	7,311 16 -
249 12 -	7 3 4	178 8 -	216 10 -	7 6 8	178 10 -	215 - -	- - -	120 15 -	99 - -	75 - -	20 - -	18 - -	2,220 10 9
1,450 16 -	- - -	1,006 16 -	1,133 5 -	- - -	1,375 2 6	1,486 10 -	- - -	1,098 15 -	969 - -	621 - -	200 - -	391 10 -	15,192 - 9
459 18 -	27 10 -	291 4 -	354 5 -	33 13 4	261 - -	376 - -	- - -	175 15 -	132 - -	105 - -	52 - -	36 - -	3,708 14 3
1,743 18 -	- - -	1,235 8 -	1,407 10 -	- - -	1,826 12 6	1,831 10 -	- - -	1,338 15 -	1,040 - -	622 10 -	278 - -	636 15 -	18,349 18 -
560 2 -	9 3 4	366 16 -	438 10 -	6 13 4	363 7 6	426 - -	2 13 4	230 5 -	186 - -	109 10 -	22 - -	22 10 -	4,475 3 -

RETURN of the Stamp Duty on Bills of Exchange of each Denomination in *England, Scotland, Ireland,* and the *United Kingdom,*

OTHER COUNTIES IN ENGLAND AND WALES:	1 s.	1 s. 6 d.	2 s.	2 s. 6 d.	3 s.	3 s. 6 d.	4 s.	4 s. 6 d.	5 s.	6 s.	7 s. 6 d.	8 s. 6 d.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Year 1844	545 5 –	9,308 6 6	11,370 12 –	12,604 10 –	43 16 –	16,693 7 –	8 8 –	15,660 12 –	9,291 10 –	5,129 14 –	– – –	5,041 18 –
1845	578 15 –	9,146 8 6	11,027 12 –	12,780 2 6	35 14 –	16,888 3 –	15 12 –	16,031 1 6	9,906 10 –	5,601 12 –	11 1 –	5,638 5 6
1846	536 6 –	8,232 3 –	10,702 10 –	12,189 2 6	31 1 –	16,382 10 –	17 8 –	15,899 11 –	10,079 10 –	5,789 16 –	– – –	5,536 11 6
1847	567 12 –	8,461 13 –	10,921 2 –	12,376 17 6	27 6 –	16,626 8 –	19 4 –	16,047 4 –	10,033 10 –	6,026 18 –	– 7 6	5,964 8 6
1848	571 18 –	8,587 7 –	10,967 18 –	11,755 7 6	18 12 –	15,882 15 –	30 16 –	15,694 11 6	9,340 – –	5,316 12 –	9 15 –	5,241 3 6
1849	733 4 –	8,766 1 6	11,254 6 –	12,173 17 6	28 16 –	16,072 19 6	31 4 –	15,574 1 6	9,584 10 –	5,174 – –	12 15 –	5,135 3 –
1850	729 5 –	8,181 15 –	10,876 14 –	11,510 15 –	16 16 –	15,125 3 6	51 4 –	15,244 8 6	9,458 15 –	5,002 18 –	3 17 6	4,751 7 6
1851	622 18 –	7,942 5 6	10,889 4 –	11,118 12 6	26 17 –	15,307 1 –	25 12 –	14,825 10 –	9,153 – –	4,926 14 –	2 9 –	4,736 7 –
1852	626 8 –	7,581 7 6	10,538 10 –	11,218 15 –	50 10 –	14,876 5 6	48 8 –	14,407 18 –	9,019 15 –	4,776 15 –	4 18 6	4,821 4 –
1853	585 19 –	6,700 13 –	9,688 2 –	10,389 – –	205 4 –	14,633 14 6	37 – –	14,476 7 –	9,436 10 –	5,414 14 –	4 2 6	5,758 15 –
1854, to 10th October	325 8 –	3,341 8 –	4,764 12 –	5,509 10 –	63 1 –	7,949 11 –	42 8 –	7,837 4 –	5,109 5 –	3,083 14 –	36 – –	3,179 17 –

		1 d.	2 d.	3 d.	4 d.	6 d.	8 d.	9 d.	1 s.	1 s. 4 d.	1 s. 8 d.	2 s.	2 s. 6 d.
		£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
1854, from 10th Oct.	Inland	511 6 8	346 4 6	1,212 7 6	– – –	2,206 8 –	– – –	1,412 1 9	1,885 1 –	– – –	– – –	2,990 4 –	– – –
	Foreign	25 4 9	41 10 8	88 1 4	13 11 –	102 14 –	12 11 4	71 16 6	128 6 –	3 17 4	2 9 3	188 14 –	4 12 6
Year 1855	Inland	407 19 6	526 19 4	2,481 13 11	– – –	4,273 8 6	– – –	2,070 3 9	3,069 2 –	– – –	– – –	5,683 10 –	– – –
	Foreign	70 3 1	69 18 4	123 3 3	8 10 4	174 15 –	15 2 8	97 15 –	246 11 –	3 10 8	5 15 –	443 14 –	9 – –
Year 1856	Inland	387 16 9	464 5 6	2,649 15 9	– – –	4,518 11 –	– – –	2,322 2 9	3,255 12 –	– – –	– – –	6,270 8 –	– – –
	Foreign	51 17 10	70 13 2	138 6 6	9 10 4	197 18 6	29 16 –	134 2 –	261 – –	4 5 4	8 1 8	498 18 –	9 – –

LONDON:	1 s.	1 s. 6 d.	2 s.	2 s. 6 d.	3 s.	3 s. 6 d.	4 s.	4 s. 6 d.	5 s.	6 s.	7 s. 6 d.	8 s. 6 d.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Year 1844	978 7 –	10,963 14 6	15,955 16 –	19,091 2 6	1,640 17 –	28,621 1 6	3,297 – –	33,402 16 6	25,975 15 –	13,758 – –	606 – –	15,874 3 6
1845	950 14 –	10,272 6 –	15,281 10 –	19,440 15 –	1,777 4 –	29,466 10 –	3,723 16 –	35,234 15 6	28,607 – –	15,247 4 –	858 – –	18,275 17 –
1846	1,185 7 –	10,593 6 –	15,597 16 –	19,622 10 –	1,807 16 –	29,803 – 6	3,644 8 –	34,917 1 6	27,217 10 –	15,170 8 –	880 10 –	17,852 2 6
1847	1,311 5 –	10,831 16 –	16,424 4 –	20,058 5 –	1,814 14 –	30,456 16 6	4,158 4 –	35,623 2 6	28,448 15 –	15,425 8 –	970 17 6	18,116 1 –
1848	1,577 19 –	9,591 19 6	15,131 2 –	18,484 – –	1,308 15 –	27,696 14 6	2,408 4 –	31,629 16 6	23,260 5 –	12,418 10 –	309 7 6	14,444 1 –
1849	2,102 10 –	9,703 14 6	14,845 – –	18,288 15 –	2,022 6 –	27,442 9 –	4,244 – –	30,893 3 6	23,944 10 –	12,169 4 –	510 7 6	14,227 14 6
1850	1,895 1 –	9,728 12 6	15,201 14 –	18,845 2 6	1,771 4 –	28,269 17 –	3,860 16 –	32,210 11 –	25,132 15 –	13,237 4 –	1,102 2 6	15,462 7 –
1851	1,358 16 –	9,120 – –	15,145 10 –	19,167 2 6	1,713 – –	29,094 12 6	3,838 – –	33,568 17 6	26,547 15 –	14,054 8 –	650 5 –	16,833 8 –
1852	1,326 1 –	8,658 6 –	15,243 16 –	19,017 15 –	2,159 8 –	28,545 2 6	5,264 4 –	32,623 13 –	26,136 – –	13,477 4 –	1,025 12 6	16,150 8 6
1853	1,432 3 –	8,193 15 –	13,954 6 –	18,041 17 6	2,260 16 –	28,118 16 6	6,086 4 –	33,799 1 –	28,602 – –	15,524 2 –	1,366 10 –	19,866 4 –
1854, to 10th October	570 18 –	3,381 15 –	6,345 4 –	7,894 15 –	777 – –	12,335 11 6	2,030 16 –	15,165 4 6	12,731 15 –	7,153 16 –	534 – –	9,569 14 6

		1 d.	2 d.	3 d.	4 d.	6 d.	8 d.	9 d.	1 s.	1 s. 4 d.	1 s. 8 d.	2 s.	2 s. 6 d.
		£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
1854, from 10th Oct.	Inland	260 10 4	636 – 4	2,059 7 6	– – –	3,857 6 –	– – –	3,224 11 9	3,643 3 –	– – –	– – –	6,735 2 –	– – –
	Foreign	224 18 4	417 15 6	850 4 9	298 16 –	1,462 – –	701 – 8	1,389 – –	3,580 17 –	909 13 4	1,223 18 4	6,700 – –	1,412 10 –
Year 1855	Inland	375 1 6	657 8 2	3,345 – 3	– – –	6,009 14 –	– – –	3,595 11 6	3,985 9 –	– – –	– – –	11,368 12 –	– – –
	Foreign	212 12 6	406 6 10	875 13 9	161 8 –	1,647 12 –	698 14 –	1,216 10 –	4,365 11 –	646 14 8	1,256 18 4	9,830 2 –	1,465 2 6
Year 1856	Inland	385 16 9	741 17 2	3,735 19 –	– – –	6,766 15 6	– – –	4,021 14 6	4,670 7 –	– – –	– – –	13,116 16 –	– – –
	Foreign	244 14 –	439 11 4	945 4 –	219 8 8	1,836 – –	1,009 6 8	1,359 – –	4,766 5 –	982 9 4	1,546 5 –	10,602 – –	2,202 17 6

distinguishing the principal Commercial and Manufacturing Districts in the former Country, from 1844 to 1856—*continued.*

10 *s.*	12 *s.* 6 *d.*	15 *s.*	£. 1 5 *s.*	£. 1 10 *s.*									Total.
£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
- - -	3,166 3 6	1,100 15 -	493 - -	334 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	90,792 7 -
- 10 -	3,751 12 6	1,378 10 -	598 10 -	474 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	93,863 19 6
4 10 -	4,046 - 6	1,730 15 -	773 10 -	613 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	92,564 4 6
- - -	4,206 5 -	1,731 10 -	880 15 -	521 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	94,412 10 6
3 - -	3,537 4 -	1,454 15 -	746 15 -	558 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	89,716 9 6
50 10 -	3,470 4 -	1,333 15 -	583 15 -	393 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	90,372 2 -
12 - -	3,460 2 6	1,397 10 -	518 15 -	336 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	86,677 6 6
1 - -	3,395 10 6	1,328 10 -	506 5 -	400 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	85,218 6 -
8 - -	3,543 5 6	1,300 5 -	535 - -	360 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	83,717 15 -
6 - -	4,256 7 -	1,820 15 -	817 - -	512 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	84,742 13 -
41 10 -	2,532 10 -	1,116 - -	431 5 -	313 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	45,676 13 -

3 *s.*	3 *s.* 4 *d.*	4 *s.*	5 *s.*	6 *s.* 8 *d.*	7 *s.* 6 *d.*	10 *s.*	13 *s.* 4 *d.*	15 *s.*	£. 1.	£. 1 10 *s.*	£. 2.	£. 2 5 *s.*	
1,857 3 -	- - -	1,313 12 -	1,455 - -	- - -	1,356 7 6	1,353 10 -	- - -	1,093 10 -	700 - -	597 - -	258 - -	247 5 -	20,795 - 11
139 13 -	3 3 4	109 12 -	109 - -	- 13 4	79 17 6	62 - -	- - -	33 15 -	9 - -	18 - -	6 - -	4 10 -	1,258 12 10
3,445 4 -	- - -	2,076 8 -	2,204 5 -	- - -	2,380 17 6	2,666 10 -	- - -	1,833 - -	1,463 - -	1,137 - -	394 - -	535 10 -	36,648 11 6
246 18 -	5 16 8	169 - -	160 15 -	3 - -	132 15 -	115 10 -	1 6 8	59 - -	24 - -	25 10 -	2 - -	9 - -	2,222 9 8
3,791 8 -	- - -	2,284 16 -	2,502 - -	- - -	2,524 17 6	2,765 10 -	- - -	1,886 5 -	1,302 - -	1,047 - -	326 - -	672 15 -	38,971 3 3
293 8 -	7 - -	171 16 -	179 10 -	3 13 4	140 5 -	160 - -	- 13 4	54 15 -	39 - -	13 10 -	14 - -	11 5 -	2,502 5 -

10 *s.*	12 *s.* 6 *d.*	15 *s.*	£. 1 5 *s.*	£. 1 10 *s.*									Total.
£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
204 10 -	15,118 2 6	8,253 - -	4,518 15 -	3,126 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	201,385 1 -
343 - -	17,259 7 6	10,385 5 -	5,423 15 -	4,821 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	217,367 19 -
322 10 -	17,900 12 6	11,090 5 -	6,572 10 -	5,298 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	219,475 13 -
409 - -	18,371 17 6	11,390 5 -	5,897 10 -	5,548 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	225,256 11 -
94 10 -	12,705 12 6	6,491 5 -	3,512 10 -	2,835 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	183,899 11 6
139 - -	13,307 10 -	6,693 - -	3,471 5 -	2,595 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	186,599 9 -
203 - -	14,792 10 -	8,367 15 -	4,015 - -	3,364 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	197,460 1 6
192 - -	16,334 7 6	9,400 5 -	4,647 - -	3,811 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	205,476 17 -
526 - -	15,920 - -	9,835 10 -	4,582 10 -	3,804 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	204,295 10 6
654 10 -	21,075 - -	13,636 10 -	6,516 5 -	5,500 10 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	224,628 10 -
162 10 -	10,579 7 6	6,750 15 -	3,618 15 -	2,988 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	102,589 17 -

3 *s.*	3 *s.* 4 *d.*	4 *s.*	5 *s.*	6 *s.* 8 *d.*	7 *s.* 6 *d.*	10 *s.*	13 *s.* 4 *d.*	15 *s.*	£. 1.	£. 1 10 *s.*	£. 2.	£. 2 5 *s.*	
5,860 4 -	- - -	4,941 - -	4,925 15 -	- - -	6,213 15 -	6,664 10 -	- - -	5,224 10 -	5,126 - -	4,528 10 -	3,150 - -	4,124 5 -	71,174 9 11
6,981 - -	1,424 10 -	6,868 - -	9,725 - -	1,338 6 8	8,232 15 -	11,907 10 -	1,349 6 8	8,057 5 -	6,484 - -	5,737 10 -	3,986 - -	6,111 - -	97,372 17 3
8,096 14 -	- - -	5,383 4 -	6,056 15 -	- - -	8,103 15 -	9,017 10 -	- - -	7,789 10 -	6,892 - -	6,801 - -	3,124 - -	6,408 - -	97,009 4 5
9,790 10 -	1,939 6 8	9,120 - -	13,359 15 -	698 13 4	12,064 2 6	17,126 - -	210 - -	9,468 - -	8,354 - -	7,239 - -	4,942 - -	7,650 - -	124,744 13 1
9,311 17 -	- - -	6,338 12 -	6,937 15 -	- - -	9,433 10 -	10,244 - -	- - -	9,372 15 -	8,225 - -	7,191 - -	3,298 - -	6,747 15 -	110,539 9 11
11,035 10 -	2,967 6 8	10,456 - -	16,139 - -	941 13 4	14,915 5 -	22,309 - -	385 6 8	12,912 15 -	10,932 - -	10,473 - -	6,224 - -	11,522 5 -	157,366 3 2

(*continued*)

RETURN of the Stamp Duty on Bills of Exchange of each Denomination in *England, Scotland, Ireland,* and the *United Kingdom,*

ENGLAND:	1 s.	1 s. 6 d.	2 s.	2 s. 6 d.	3 s.	3 s. 6 d.	4 s.	4 s. 6 d.	5 s.	6 s.	7 s. 6 d.	8 s. 6 d.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Year 1844	2,411 7 –	25,129 9 6	34,424 6 –	40,214 5 –	2,104 3 –	58,643 2 6	3,989 – –	64,406 11 –	47,121 10 –	25,926 16 –	663 – –	29,778 4 6
1845	2,652 15 –	24,272 7 6	33,332 2 –	41,301 12 6	2,276 9 –	60,582 8 6	4,483 – –	67,816 12 6	51,467 5 –	28,890 10 –	918 3 6	33,778 10 –
1846	3,021 18 –	23,866 9 6	33,675 2 –	41,249 2 6	2,352 15 –	61,142 10 –	4,475 12 –	68,678 18 6	50,903 – –	29,278 10 –	935 12 6	34,156 15 –
1847	2,910 1 –	24,233 15 6	34,726 8 –	41,687 5 –	2,444 14 –	61,658 7 –	5,030 – –	69,092 14 6	51,609 5 –	29,413 2 –	1,041 – –	34,851 15 –
1848	3,231 18 –	23,077 6 6	33,902 14 –	40,011 – –	1,687 1 –	57,892 6 –	2,906 12 –	64,167 9 6	44,641 – –	24,677 12 –	354 15 –	28,000 13 6
1849	4,649 1 –	23,387 10 –	34,221 4 –	40,446 10 –	2,469 15 –	58,150 13 6	4,776 4 –	63,292 5 –	45,798 – –	24,084 12 –	547 10 –	27,428 19 6
1850	4,178 – –	22,661 6 6	33,802 12 –	39,915 12 6	2,289 6 –	57,774 6 6	4,578 – –	64,235 9 6	47,269 10 –	25,655 2 –	1,139 12 6	28,955 13 6
1851	2,900 1 –	21,881 18 6	34,223 4 –	40,370 – –	2,253 3 –	59,857 – –	4,570 8 –	66,115 15 –	49,139 15 –	26,746 – –	689 9 –	31,065 – 6
1852	2,957 11 –	21,269 2 –	34,351 12 –	41,046 17 6	2,786 1 –	59,792 10 –	6,469 12 –	65,078 9 –	49,913 5 –	26,735 13 –	1,067 1 –	31,151 16 6
1853	2,892 18 –	19,738 6 –	32,083 – –	38,698 5 –	3,151 2 –	59,123 14 –	6,920 4 –	68,089 1 –	53,688 15 –	30,348 4 –	1,413 7 6	38,623 11 –
1854, to 10th October	1,595 1 –	9,225 18 –	15,965 14 –	18,982 2 6	1,979 8 –	28,795 7 6	2,898 16 –	33,950 5 –	27,070 15 –	15,693 – –	1,160 12 6	20,296 14 6

		1 d.	2 d.	3 d.	4 d.	6 d.	8 d.	9 d.	1 s.	1 s. 4 d.	1 s. 8 d.	2 s.	2 s. 6 d.
		£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
1854, from 10th Oct.	Inland	1,232 17 3	1,323 7 8	4,780 12 –	- - -	8,985 2 –	- - -	6,842 19 3	7,880 1 –	- - -	- - -	14,077 4 –	- - -
	Foreign	332 8 7	581 19 2	1,179 4 –	405 16 –	1,925 5 –	909 – 8	1,825 – 3	4,764 4 –	1,097 9 4	1,493 8 4	8,568 18 –	1,573 2 6
Year 1855	Inland	1,304 18 11	1,589 17 4	8,354 11 –	- - -	15,281 10 –	- - -	8,529 17 3	10,731 6 –	- - -	- - -	25,784 8 –	- - -
	Foreign	384 5 11	621 10 4	1,337 15 3	270 6 –	2,552 4 –	1,068 10 8	1,849 19 –	6,155 10 –	851 5 4	1,461 1 8	13,508 18 –	1,716 5 –
Year 1856	Inland	1,204 14 2	1,771 10 –	9,196 18 9	- - -	16,730 14 –	- - -	9,518 11 9	12,071 8 –	- - -	- - -	29,322 16 –	- - -
	Foreign	404 8 10	667 14 6	1,460 3 9	337 18 4	2,798 3 –	1,409 9 4	2,129 18 6	6,951 4 –	1,288 13 4	1,920 – –	14,914 16 –	2,557 12 6

SCOTLAND:	1 s.	1 s. 6 d.	2 s.	2 s. 6 d.	3 s.	3 s. 6 d.	4 s.	4 s. 6 d.	5 s.	6 s.	7 s. 6 d.	8 s. 6 d.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Year 1844	136 13 –	2,553 13 6	10,755 6 –	7,915 7 6	103 1 –	11,376 8 –	142 8 –	13,633 4 –	10,371 5 –	5,518 4 –	24 15 –	6,562 – –
1845	125 2 –	2,358 – –	10,121 – –	7,985 17 6	94 13 –	11,815 16 6	42 12 –	14,454 4 6	11,023 15 –	6,142 4 –	– 15 –	7,527 12 –
1846	139 1 –	2,106 4 6	9,768 16 –	8,075 12 6	58 16 –	12,135 18 –	68 8 –	15,307 17 6	12,227 5 –	6,989 8 –	12 7 6	8,658 19 –
1847	132 12 –	2,160 – –	9,523 2 –	7,997 5 –	63 6 –	11,992 1 –	73 16 –	14,925 12 –	11,811 – –	7,037 8 –	9 – –	8,776 5 –
1848	204 3 –	2,365 11 6	9,843 8 –	7,993 7 6	39 12 –	11,389 7 –	59 – –	13,448 18 6	9,924 15 –	5,625 18 –	9 15 –	6,513 11 –
1849	227 9 –	2,412 3 –	10,094 14 –	7,911 15 –	59 5 –	11,379 11 –	103 4 –	13,509 18 –	10,067 5 –	5,866 10 –	13 10 –	6,917 6 –
1850	150 10 –	2,463 13 6	10,183 2 –	7,891 10 –	91 19 –	11,424 14 –	116 8 –	13,639 14 6	10,476 – –	5,977 4 –	28 17 6	7,289 3 6
1851	121 19 –	2,626 17 6	10,625 18 –	8,251 2 6	75 15 –	11,787 9 6	150 4 –	14,455 5 –	11,376 5 –	6,635 8 –	24 7 6	8,158 14 6
1852	158 19 –	2,583 7 6	10,490 4 –	8,174 2 6	124 10 –	11,647 13 –	158 16 –	14,162 17 –	11,059 10 –	6,090 – –	21 15 –	7,485 10 6
1853	98 9 –	2,103 1 6	9,199 18 –	7,612 5 –	159 9 –	11,231 13 6	193 4 –	14,472 4 6	12,075 10 –	7,309 4 –	36 7 6	9,358 1 6
1854, to 10th October	35 1 –	983 6 6	4,608 16 –	3,812 15 –	53 2 –	5,678 15 –	90 8 –	7,287 6 –	6,177 15 –	3,715 10 –	40 10 –	5,119 19 6

		1 d.	2 d.	3 d.	4 d.	6 d.	8 d.	9 d.	1 s.	1 s. 4 d.	1 s. 8 d.	2 s.	2 s. 6 d.
		£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
1854, from 10th Oct.	Inland	1,128 – 8	209 11 10	838 13 3	- - -	1,503 9 6	- - -	1,132 19 –	1,268 – –	- - -	- - -	3,002 10 –	- - -
	Foreign	32 8 5	47 14 2	93 16 –	12 4 –	154 1 –	25 17 4	117 17 3	247 5 –	33 2 8	36 10 –	459 6 –	46 17 6
Year 1855	Inland	233 18 3	335 10 2	1,650 14 6	- - -	2,862 3 6	- - -	1,730 3 6	2,117 19 –	- - -	- - -	5,649 4 –	- - -
	Foreign	56 12 10	75 2 2	143 4 –	10 9 –	241 5 6	41 10 –	162 12 9	411 12 –	44 10 8	56 – –	810 4 –	68 12 6
Year 1856	Inland	244 18 6	397 2 6	1,879 12 9	- - -	3,243 16 6	- - -	1,951 10 –	2,355 6 –	- - -	- - -	6,310 4 –	- - -
	Foreign	55 7 9	71 12 6	141 16 9	14 – 8	240 10 6	63 4 8	160 16 9	485 17 –	57 1 4	69 10 –	874 6 –	99 7 6

distinguishing the principal Commercial and Manufacturing Districts in the former Country, from 1844 to 1856—*continued.*

10 *s.*	12 *s.* 6 *d.*	15 *s.*	£.1 5 *s.*	£.1 10 *s.*								Total.
£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
207 10 –	27,211 12 6	13,994 – –	7,323 5 –	6,391 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	389,939 12 –
347 10 –	31,931 3 –	17,573 15 –	8,986 15 –	8,902 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	419,513 8 6
337 – –	32,860 8 –	18,944 15 –	10,396 – –	9,670 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	425,944 18 –
417 10 –	33,810 – –	18,910 10 –	9,627 15 –	9,185 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	430,649 12 –
101 – –	23,627 11 6	11,458 – –	6,220 10 –	5,269 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	371,226 19 –
192 – –	24,312 6 6	11,477 15 –	5,810 – –	4,696 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	375,740 15 6
216 – –	26,776 17 6	13,882 10 –	6,692 10 –	6,244 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	386,266 18 6
197 – –	29,447 8 –	15,733 5 –	7,549 10 –	7,015 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	399,754 7 –
535 – –	30,024 18 6	16,934 5 –	7,851 5 –	7,092 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	405,057 8 6
698 – –	39,389 8 –	24,011 – –	11,842 5 –	10,382 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	441,093 10 6
651 – –	21,755 – –	13,233 – –	6,846 5 –	6,295 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	226,394 9 –

3 *s.*	3 *s.* 4 *d.*	4 *s.*	5 *s.*	6 *s.* 8 *d.*	7 *s.* 6 *d.*	10 *s.*	13 *s.* 4 *d.*	15 *s.*	£. 1.	£. 1 10 *s.*	£. 2.	£. 2 5 *s.*	
1,678 16 –	- - -	8,838 16 –	9,008 5 –	- - -	10,858 17 6	11,445 – –	- - -	9,270 – –	8,838 – –	8,242 10 –	4,836 – –	7,312 10 –	134,450 17 8
8,523 6 –	1,599 16 8	8,031 16 –	11,356 – –	1,463 6 8	9,610 2 6	14,033 10 –	1,460 13 4	9,378 15 –	7,432 – –	6,756 – –	4,432 – –	6,896 5 –	115,629 7 –
17,579 17 –	- - -	11,825 4 –	13,110 15 –	- - -	16,960 17 6	18,893 10 –	- - -	15,372 15 –	14,101 – –	13,780 10 –	5,928 – –	12,228 15 –	211,357 12 –
12,947 2 –	2,122 16 8	11,230 16 –	16,137 – –	781 13 4	14,643 15 –	20,645 10 –	220 13 4	11,416 10 –	10,065 – –	8,736 – –	5,366 – –	8,907 15 –	154,998 2 6
20,062 10 –	- - -	13,675 12 –	15,237 10 –	- - -	19,792 10 –	21,304 10 –	- - -	18,232 10 –	16,003 – –	14,644 10 –	6,336 – –	13,569 15 –	238,674 19 8
14,563 4 –	3,244 10 –	12,932 8 –	19,429 – –	1,007 – –	17,986 17 6	26,719 10 –	406 – –	15,157 10 –	13,148 – –	12,646 10 –	7,096 – –	13,090 10 –	194,267 1 7

10 *s.*	12 *s.* 6 *d.*	15 *s.*	£.1 5 *s.*	£.1 10 *s.*								Total.
£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
25 – –	6,101 17 6	3,058 10 –	1,771 5 –	1,099 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	81,148 7 6
- - -	7,640 – –	4,009 10 –	2,516 5 –	1,899 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	87,756 6 6
6 – –	8,973 15 –	4,784 5 –	2,958 15 –	2,689 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	94,960 18 –
10 – –	9,530 – –	5,160 15 –	3,158 15 –	2,844 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	95,204 17 –
1 10 –	6,625 12 6	3,609 15 –	2,117 10 –	1,764 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	81,535 14 –
3 – –	6,625 – –	3,420 – –	2,132 10 –	1,773 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	82,516 – –
1 10 –	7,217 10 –	3,618 – –	2,552 10 –	1,456 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	84,578 16 –
2 10 –	8,146 17 6	4,028 5 –	2,280 – –	1,483 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	90,230 8 –
1 – –	6,988 2 6	3,436 10 –	1,826 5 –	1,363 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	85,772 12 –
22 10 –	9,198 15 –	4,612 10 –	2,351 5 –	1,768 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	91,802 17 6
19 – –	5,220 – –	2,633 5 –	1,186 5 –	1,002 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	47,663 14 –

3 *s.*	3 *s.* 4 *d.*	4 *s.*	5 *s.*	6 *s.* 8 *d.*	7 *s.* 6 *d.*	10 *s.*	13 *s.* 4 *d.*	15 *s.*	£. 1.	£. 1 10 *s.*	£. 2.	£. 2 5 *s.*	
2,265 3 –	- - -	1,911 16 –	2,182 15 –	- - -	2,730 15 –	2,828 – –	- - -	2,272 10 –	1,968 – –	1,800 – –	1,308 – –	2,299 10 –	30,649 13 3
464 11 –	42 10 –	379 4 –	563 10 –	20 13 4	528 15 –	801 – –	6 – –	488 5 –	377 – –	310 10 –	178 – –	234 – –	5,700 17 8
3,884 5 –	- - -	2,790 16 –	3,017 15 –	- - -	4,210 2 6	4,230 – –	- - -	3,522 15 –	2,994 – –	2,509 10 –	1,142 – –	3,255 15 –	46,136 11 5
719 17 –	54 – –	540 8 –	897 15 –	24 13 4	842 5 –	1,293 – –	12 – –	761 5 –	524 – –	537 – –	238 – –	405 – –	8,970 18 9
4,360 16 –	- - -	3,188 8 –	3,333 5 –	- - -	4,578 7 6	4,620 10 –	- - -	3,745 10 –	2,931 – –	3,030 – –	1,392 – –	3,858 15 –	51,421 1 9
758 14 –	109 10 –	617 16 –	1,079 – –	20 6 8	920 5 –	1,617 10 –	4 – –	906 15 –	694 – –	559 10 –	254 – –	594 – –	10,468 18 1

RETURN of the Stamp Duty on Bills of Exchange of each Denomination in *England, Scotland, Ireland,* and the *United Kingdom,*

IRELAND:	1 *s.*	1 *s.* 6 *d.*	2 *s.*	2 *s.* 6 *d.*	3 *s.*	3 *s.* 6 *d.*	4 *s.*	4 *s.* 6 *d.*	5 *s.*	6 *s.*	7 *s.* 6 *d.*	8 *s.* 6 *d.*
	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
Year 1844	1,396 6 –	6,569 12 6	21,489 14 –	12,872 – –	5 5 –	16,732 2 –	13 – –	16,590 12 –	9,821 – –	5,292 6 –	4 10 –	4,908 15 –
1845	1,193 7 –	6,531 7 6	22,973 14 –	13,078 2 6	5 14 –	17,062 6 6	8 8 –	17,437 19 –	10,637 5 –	5,953 16 –	– 7 6	5,516 10 –
1846	966 9 –	6,210 – –	23,136 18 –	13,175 7 6	5 14 –	17,620 2 6	16 16 –	17,764 3 6	10,795 5 –	5,863 16 –	3 – –	5,929 16 –
1847	879 10 –	6,857 8 –	18,562 2 –	12,467 17 6	22 10 –	15,746 3 –	29 16 –	15,616 7 –	9,602 10 –	5,260 16 –	11 5 –	5,473 11 6
1848	823 8 –	5,816 11 –	13,821 4 –	9,587 5 –	20 5 –	12,615 4 6	16 4 –	12,924 6 6	7,914 5 –	4,420 10 –	- - -	3,853 8 6
1849	590 10 –	4,191 18 –	12,936 4 –	8,803 12 6	13 13 –	11,499 8 6	19 16 –	11,781 18 –	7,174 15 –	3,765 – –	1 2 6	3,628 13 –
1850	510 19 –	3,527 1 –	11,115 10 –	7,640 15 –	10 10 –	11,207 9 6	40 16 –	10,804 6 6	6,813 5 –	3,562 6 –	- - -	3,216 16 6
1851	604 5 –	3,860 2 –	12,421 4 –	8,649 2 6	11 5 –	11,450 1 6	26 8 –	11,414 6 –	7,317 5 –	3,840 2 –	– 15 –	4,255 19 –
1852	514 3 –	3,602 5 –	13,272 – –	8,732 7 6	18 15 –	8,300 8 6	21 – –	11,494 7 –	7,058 10 –	3,906 12 –	– 15 –	3,972 9 6
1853	451 14 –	3,424 11 6	13,269 – –	8,732 17 6	64 16 –	11,543 – –	93 16 –	11,739 7 6	7,311 5 –	4,302 6 –	6 – –	4,816 10 6
1854, to 10th October	223 – –	1,744 16 –	6,854 14 –	4,357 2 6	9 – –	5,628 10 6	23 8 –	5,541 1 6	3,335 15 –	1,951 16 –	– 15 –	2,299 5 –

		1 *d.*	2 *d.*	3 *d.*	4 *d.*	6 *d.*	8 *d.*	9 *d.*	1 *s.*	1 *s.* 4 *d.*	1 *s.* 8 *d.*	2 *s.*	2 *s.* 6 *d.*
		£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
1854, from 10th Oct.	Inland	290 14 8	429 19 6	1,328 5 6	- - -	1,886 17 6	- - -	1,128 6 –	1,377 1 –	- - -	- - -	2,053 2 –	- - -
	Foreign	247 14 1	104 – 2	70 14 –	2 5 4	57 16 –	2 14 –	52 10 9	83 18 –	- - -	– 10 –	114 – –	- - -
Year 1855	Inland	527 – 1	808 14 4	2,240 19 6	- - -	3,116 16 –	- - -	1,446 11 3	1,923 9 –	- - -	- - -	3,438 8 –	- - -
	Foreign	187 10 7	48 19 –	54 12 3	3 4 4	46 19 6	12 8 8	44 11 9	97 8 –	4 – –	5 11 8	176 4 –	1 2 6
Year 1856	Inland	526 6 2	998 15 4	2,580 9 6	- - -	3,450 3 –	- - -	1,622 7 3	2,145 17 –	- - -	- - -	3,851 14 –	- - -
	Foreign	161 4 7	45 13 –	42 – 9	7 12 8	44 10 –	11 1 4	28 5 6	84 8 –	7 17 4	7 8 4	195 12 –	3 7 6

UNITED KINGDOM:	1 *s.*	1 *s.* 6 *d.*	2 *s.*	2 *s.* 6 *d.*	3 *s.*	3 *s.* 6 *d.*	4 *s.*	4 *s.* 6 *d.*	5 *s.*	6 *s.*	7 *s.* 6 *d.*	8 *s.* 6 *d.*
	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
Year 1844	3,944 6 –	34,252 15 6	66,669 6 –	61,001 12 6	2,212 9 –	86,751 12 6	4,144 8 –	94,630 7 –	67,313 15 –	36,737 6 –	692 5 –	41,248 19 6
1845	3,971 4 –	33,161 15 –	66,426 16 –	62,365 12 6	2,376 16 –	89,460 11 6	4,534 – –	99,708 16 –	73,128 5 –	40,986 10 –	919 6 –	46,822 12 –
1846	4,127 9 –	32,182 14 –	66,580 16 –	62,500 2 6	2,417 5 –	90,898 9 –	4,560 16 –	101,751 – –	73,925 10 –	42,131 14 –	951 – –	48,745 10 –
1847	3,922 3 –	33,251 3 6	62,811 12 –	62,152 7 6	2,530 10 –	89,396 11 –	5,133 12 –	99,634 13 6	73,022 15 –	41,711 6 –	1,061 5 –	49,101 11 6
1848	4,259 9 –	31,259 9 –	57,567 6 –	57,591 12 6	1,746 18 –	81,896 17 6	2,981 16 –	90,540 14 6	62,480 – –	34,724 – –	364 10 –	38,367 13 –
1849	5,467 – –	29,991 11 –	57,252 2 –	57,161 17 6	2,542 13 –	81,029 13 –	4,899 4 –	88,584 1 –	63,040 – –	33,716 2 –	562 2 6	37,974 18 6
1850	4,839 9 –	28,652 1 –	55,101 4 –	55,447 17 6	2,391 15 –	80,406 10 –	4,735 4 –	88,679 10 6	64,558 15 –	35,194 12 –	1,168 10 –	39,461 13 6
1851	3,626 6 –	28,368 18 –	57,270 6 –	57,270 5 –	2,340 3 –	83,094 11 –	4,747 – –	91,985 6 –	67,833 5 –	37,221 10 –	714 11 6	43,479 14 –
1852	3,630 13 –	27,454 14 6	58,113 16 –	57,953 7 6	2,929 6 –	79,740 11 6	6,649 8 –	90,735 13 –	68,031 5 –	36,732 5 –	1,089 11 –	42,609 16 6
1853	3,443 1 –	25,265 19 –	54,551 18 –	55,043 7 6	3,375 7 –	81,898 7 6	7,207 4 –	94,300 13 –	73,075 10 –	41,959 14 –	1,455 15 –	52,798 3 6
1854, to 10th October	1,853 2 –	11,954 – 6	27,429 4 –	27,152 – –	2,041 10 –	40,102 13 –	3,012 12 –	46,778 12 6	36,584 5 –	21,360 6 –	1,201 17 6	27,715 19 –

		1 *d.*	2 *d.*	3 *d.*	4 *d.*	6 *d.*	8 *d.*	9 *d.*	1 *s.*	1 *s.* 4 *d.*	1 *s.* 8 *d.*	2 *s.*	2 *s.* 6 *d.*
		£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
1854, from 10th Oct.	Inland	2,651 12 7	1,962 19 –	6,942 10 9	- - -	12,375 9 –	- - -	9,104 4 3	10,525 2 –	- - -	- - -	19,132 16 –	- - -
	Foreign	612 11 1	733 13 6	1,343 14 –	420 5 4	2,137 2 –	937 12 –	1,995 8 3	5,095 7 –	1,130 12 –	1,530 8 4	9,142 4 –	1,620 – –
Year 1855	Inland	2,065 17 3	2,734 1 10	12,246 5 –	- - -	21,260 9 6	- - -	11,706 12 –	14,772 14 –	- - -	- - -	34,872 – –	- - -
	Foreign	628 9 4	745 11 6	1,535 11 6	283 19 4	2,840 9 –	1,122 9 4	2,057 3 6	6,664 10 –	899 16 –	1,522 13 4	14,495 6 –	1,786 – –
Year 1856	Inland	1,975 18 10	3,167 7 10	13,657 1 –	- - -	23,424 13 6	- - -	13,092 9 –	16,572 11 –	- - -	- - -	39,484 14 –	- - -
	Foreign	621 1 2	785 – –	1,644 1 3	359 11 8	3,083 3 6	1,483 15 4	2,319 – 9	7,521 9 –	1,353 12 –	1,996 18 4	15,984 14 –	2,660 7 6

Inland Revenue Office,
13 July 1857.

distinguishing the principal Commercial and Manufacturing Districts in the former Country, from 1844 to 1856—*continued.*

10 *s.*	12 *s.* 6 *d.*	15 *s.*	£.1 5 *s.*	£.1 10 *s.*									Total.
£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
1 10 –	2,728 2 6	829 10 –	161 5 –	100 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	99,516 – –
– 10 –	3,411 17 6	1,106 5 –	277 10 –	168 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	105,362 19 6
6 – –	3,897 10 –	1,348 10 –	323 15 –	171 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	107,234 2 6
7 10 –	3,792 10 –	1,551 15 –	440 – –	280 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	96,602 1 –
– 10 –	2,256 – –	778 10 –	136 5 –	97 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	75,080 16 6
- - -	2,252 10 –	683 5 –	158 15 –	102 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	67,603 – 6
4 10 –	2,231 5 –	703 10 –	151 5 –	148 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	61,688 14 6
1 – –	3,053 18 –	1,046 – –	210 6 –	178 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	68,340 9 –
3 10 –	2,605 12 6	1,118 5 –	178 15 –	201 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	65,000 15 –
- - -	3,278 15 –	1,504 10 –	366 5 –	309 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	71,213 14 –
- - -	1,574 7 6	783 15 –	260 – –	195 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	34,782 6 –

3 *s.*	3 *s.* 4 *d.*	4 *s.*	5 *s.*	6 *s.* 8 *d.*	7 *s.* 6 *d.*	10 *s.*	13 *s.* 4 *d.*	15 *s.*	£.1.	£.1 10 *s.*	£.2.	£.2 5 *s.*	
1,349 2 –	- - -	853 4 –	1,326 – –	- - -	925 10 –	1,543 – –	- - -	636 15 –	449 – –	252 – –	100 – –	299 5 –	16,223 2 2
79 4 –	1 – –	327 4 –	102 – –	- - -	79 10 –	120 10 –	- - -	45 15 –	38 – –	16 10 –	10 – –	4 10 –	1,560 5 4
2,090 5 –	- - -	1,314 – –	1,779 – –	- - -	1,618 10 –	2,203 10 –	- - -	1,133 5 –	1,031 – –	522 – –	206 – –	420 15 –	25,820 3 2
103 10 –	1 – –	73 – –	116 15 –	- - -	97 10 –	156 – –	- - -	52 10 –	40 – –	25 10 –	8 – –	2 5 –	1,358 12 3
2,222 17 –	- - -	1,546 – –	2,078 5 –	- - -	1,880 5 –	2,489 10 –	- - -	1,090 10 –	1,023 – –	549 – –	228 – –	481 10 –	28,764 9 3
112 13 –	1 10 –	93 16 –	143 – –	- - -	156 15 –	201 10 –	- - -	86 5 –	49 – –	28 10 –	16 – –	13 10 –	1,541 10 –

10 *s.*	12 *s.* 6 *d.*	15 *s.*	£.1 5 *s.*	£.1 10 *s.*									Total.
£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*	£. *s.* *d.*
234 – –	36,041 12 6	17,882 – –	9,255 15 –	7,591 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	570,603 19 6
348 – –	42,983 – 6	22,689 10 –	11,780 10 –	10,969 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	612,632 14 6
349 – –	45,731 13 –	25,077 10 –	13,678 10 –	12,531 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	628,139 18 6
435 – –	47,132 10 –	25,623 – –	13,226 10 –	12,310 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	622,456 10 –
103 – –	32,509 4 –	15,846 5 –	8,474 5 –	7,130 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	527,843 9 6
195 – –	33,189 16 6	15,581 – –	8,101 5 –	6,571 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	525,859 16 –
222 – –	36,225 12 6	18,204 – –	9,396 5 –	7,849 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	532,534 9 –
200 10 –	40,648 3 6	20,807 10 –	10,039 15 –	8,677 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	558,325 4 –
539 10 –	39,618 13 6	21,489 – –	9,856 5 –	8,657 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	555,830 15 6
720 10 –	51,866 18 –	30,128 – –	14,559 15 –	12,460 – –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	604,110 2 –
670 – –	28,549 7 6	16,650 – –	8,292 10 –	7,492 10 –	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	308,840 9 –

3 *s.*	3 *s.* 4 *d.*	4 *s.*	5 *s.*	6 *s.* 8 *d.*	7 *s.* 6 *d.*	10 *s.*	13 *s.* 4 *d.*	15 *s.*	£.1.	£.1 10 *s.*	£.2.	£.2 5 *s.*	
14,293 1 –	- - -	11,603 16 –	12,517 – –	- - -	14,515 2 6	15,816 – –	- - -	12,179 5 –	11,255 – –	10,294 10 –	6,244 – –	9,911 5 –	181,323 13 1
9,067 1 –	1,643 6 8	8,738 4 –	12,021 10 –	1,484 – –	10,218 7 6	14,955 – –	1,466 13 4	9,912 15 –	7,847 – –	7,083 – –	4,620 – –	7,134 15 –	122,890 10 –
23,554 7 –	- - -	15,930 – –	17,907 10 –	- - -	22,789 10 –	25,327 – –	- - -	20,028 15 –	18,126 – –	16,812 – –	7,276 – –	15,905 5 –	283,314 6 7
13,770 9 –	2,177 16 8	11,844 4 –	17,151 10 –	806 6 8	15,583 10 –	22,094 10 –	232 13 4	12,230 5 –	10,629 – –	9,298 10 –	5,612 – –	9,315 – –	165,327 13 6
26,646 3 –	- - -	18,410 – –	20,649 – –	- - -	26,251 2 6	28,414 10 –	- - -	23,068 10 –	19,957 – –	18,223 10 –	7,956 – –	17,910 – –	318,860 10 8
15,434 11 –	3,355 10 –	13,644 – –	20,651 – –	1,027 6 8	19,063 17 6	28,538 10 –	410 – –	16,150 10 –	13,891 – –	13,234 10 –	7,366 – –	13,698 – –	206,277 9 8

L. S. Lyne,
A. & C. G.

Appendix, No. 39.

PAPER presented by Mr. *Newmarch*, 5 June 1857.

BILLS OF EXCHANGE (INLAND BILLS), ENGLAND AND WALES.

STATEMENT of the Total Amounts Drawn or Created during each Quarter of the Twenty-four Years, 1830–1853, distinguishing the Three Groups of Small, Medium, and Large Bills; with a Collateral Column of the Rate of Interest in *London* on First Class Bills during each Quarter, and also of the Average Circulation during each Quarter, of the Notes of the Bank of *England*, and of the Notes of Private and Joint Stock Banks of *England* and *Wales*.

The Bills included in Group I. may be called Small Bills, and represent chiefly Drafts upon Small Retailers, and Drafts by Retailers on Consumers. According to the Bankers' Returns (that is, according to the Data collected, in the manner explained at p. 585 of the Sixth Vol. of the History of Prices), the Average Amount of the Bills in this Group is 22 *l.* 6 *s.*, and the Average Usance 3·14 Months.

Group II.—Medium Bills represent chiefly Drafts by Wholesalers and Manufacturers upon Retailers. The Average Amount is 127 *l.*, and the Average Usance 3·45 Months.

Group III.—Large Bills represent chiefly Drafts by Importers on Manufacturers and Wholesalers, and by Manufacturers and Wholesalers on Exporters. The Average Amount is 1,055 *l.* 18 *s.*, and the Average Usance 4·20 Months.

1.	2.	3.	4.	5.	6.	7.	8.	9.
THREE MONTHS ENDED	Bills of Exchange (Inland), England and Wales; Amounts Drawn or Created.				Market Rate of Discount in London.	Average Circulation during each Three Months of		
	I. Small Bills.	II. Medium Bills.	III. Large Bills.	Total Bills.		Bank of England.	Private and Joint Stock Banks of England and Wales.	Total Circulation.
	Mlns. £.	*Mlns.* £.	*Mlns.* £.	*Mlns.* £.	*P' Cent. p' Ann.*	*Mlns.* £.	*Mlns.* £.	*Mlns.* £.
1830:—31 March	6·03	23·32	21·98	51·33	3 @ 2¾	not given	not given	not given.
30 June -	5·74	22·21	21·05	49·00	2¾ „ 2½	„	„	„
30 Sept. -	5·50	21·60	22·15	49·25	2½ „ –	„	„	„
31 Dec. -	4·90	20·61	22·08	47·59	2¼ „ 4	„	„	„
1831:—31 March	5·67	23·30	23·74	52·70	3 „ 3½	„	„	„
30 June -	5·45	22·87	23·89	52·21	3½ „ 4	„	„	„
30 Sept. -	5·45	23·42	24·70	53·57	4 „ 3½	„	„	„
31 Dec. -	5·06	21·75	22·05	48·86	4 „ –	„	„	„
1832:—31 March	5·50	22·63	22·98	51·11	4 „ 3¼	„	„	„
30 June -	5·50	22·61	20·17	48·28	3¼ „ –	„	„	„
30 Sept. -	4·91	21·37	20·86	47·13	3 „ –	„	„	„
31 Dec. -	4·77	20·77	22·00	47·54	2¾ „ –	„	„	„
1833:—31 March	5·35	23·28	22·21	50·84	2¾ „ 2¼	„	„	„
30 June -	5·05	22·25	20·99	48·30	2¼ „ 2½	„	„	„
30 Sept. -	5·03	21·94	24·67	51·63	2½ „ 3	„	„	„
31 Dec. -	5·46	26·54	36·12	68·12	3 „ 3½	„	„	„
1834:—31 March	4·91	22·50	25·90	53·30	3½ „ 2¾	19·14	10·13	29·27
30 June -	4·81	22·30	23·83	50·93	3 „ 3¼	18·88	10·44	29·32
30 Sept. -	4·95	23 25	27·43	55·63	3¼ „ 4	19·08	10·06	29·14
31 Dec. -	4·59	21·72	25·46	51·77	3¾ „ 4	18·17	10·51	28·68
1835:—31 March	5·11	23·42	28·15	56·69	3¾ „ 3½	18·54	10·37	28·91
30 June -	5·24	24·08	27·87	57·19	3¾ „ 4	19·02	10·88	29·90
30 Sept. -	5·12	23·80	29·36	58·28	4 „ 3½	18·28	10·44	28·72
31 Dec. -	4·69	22·83	29·87	57·39	3¾ „ –	17·25	11·10	28·35
1836:—31 March	5·30	26·08	32·64	64·02	3¾ „ 6	18·00	11·32	29·32
30 June -	5·23	25·12	34·49	64·84	3¼ „	17·89	12·16	30·05
30 Sept. -	5·48	28·49	44·09	78·06	4 „	18·11	12·71	30·82
31 Dec. -	5·02	26·15	42·20	73·37	5 „	17·30	12·78	30·08

TOTAL AMOUNTS Drawn or Created during each Quarter of the Twenty-four Years, 1830–1853—*continued.*

1.	2.	3.	4.	5.	6.	7.	8.	9.
THREE MONTHS ENDED	Bills of Exchange (Inland) England and Wales; Amounts Drawn or Created.				Market Rate of Discount in London.	Average Circulation during each Three Months of		
	I. Small Bills.	II. Medium Bills.	III. Large Bills.	TOTAL Bills.		Bank of England.	Private and Joint Stock Banks of England and Wales.	TOTAL Circulation.
	Mlns. £.	*Mlns.* £.	*Mlns.* £.	*Mlns.* £.	*P'Cent. p'Ann.*	*Mlns.* £.	*Mlns.* £.	*Mlns.* £.
1837:—31 March	5·39	26·73	42·36	74·47	6 @ 5	18·28	10·88	29·16
30 June -	5·51	25·53	31·99	63·02	5 „ 4½	18·18	10·71	28·89
30 Sept. -	5·32	25·23	32·59	63·14	4½ „ 3½	18·84	10·05	28·89
31 Dec. -	5·01	24·41	28·68	58·11	3½ „ 3¼	17·84	10·79	28·63
1838:—31 March	5·35	25·28	32·91	63·54	3½ „ 3	18·86	10·77	29·63
30 June -	5·42	25·26	32·20	62·88	2¾ „ –	19·03	11·62	30·65
30 Sept. -	5·52	27·48	38·78	71·78	3 „ 3½	19·58	11·24	30·82
31 Dec. -	4·87	26·16	37·14	68·16	3½ „ –	18·31	12·04	30·35
1839:—31 March	5·41	27·80	39·66	72·87	3¾ „ –	18·30	12·23	30·53
30 June -	5·47	28·67	39·84	73·98	3½ „ 5	18·06	12·22	30·28
30 Sept. -	5·54	30·07	46·42	82·03	5½ „ 6½	17·86	11·02	28·88
31 Dec. -	5·02	27·87	41·80	74·69	6½ „ 7½	16·38	11·38	27·76
1840:—31 March	5·67	29·49	41·59	76·75	7 „ 4¾	16·86	10·31	27·17
30 June -	5·54	28·68	39·41	73·63	4¾ „ 4¼	16·93	11·10	28·03
30 Sept. -	5·78	29·67	43·88	79·33	4½ „ –	17·30	9·97	27·27
31 Dec. -	5·08	27·12	38·46	70·67	5 „ 6	16·33	10·00	26·33
1841:—31 March	5·73	29·01	40·76	75·51	6 „ 5	16·56	10·04	26·60
30 June -	5·54	27·37	27·47	60·39	4⅓ „ 5	16·66	10·24	26·90
30 Sept. -	5·57	27·90	42·93	76·41	5 „ –	17·66	9·16	26·82
31 Dec. -	4·94	24·27	34·94	64·15	5 „ 4⅓	16·86	9·47	26·33
1842:—31 March	5·56	25·47	36·92	67·94	5 „ 3½	16·86	8·37	25·23
30 June -	5·34	24·42	34·05	63·82	3½ „ –	17·60	8·27	25·87
30 Sept. -	5·29	23·74	33·48	62·51	3½ „ 2⅓	19·72	8·00	27·72
31 Dec. -	4·87	22·24	28·06	55·17	2¾ „ 2¼	19·48	8·42	27·90
1843:—31 March	5·24	23·17	30·93	59·34	2½ „ 2	19·91	7·78	27·69
30 June -	5·38	23·09	28·70	57·17	2 „ 2½	19·42	7·70	27·12
30 Sept. -	5·21	22·68	31·34	59·24	2 „ –	19·49	7·15	26·64
31 Dec. -	4·73	21·49	28·68	54·89	2 „ 2¼	19·12	7·92	27·04
1844:—31 March	5·24	23·63	33·36	62·23	2¼ „ 2	20·77	8·35	29·12
30 June -	5·07	23·09	31·13	59·29	2 „ 1¾	21·32	8·76	30·08
30 Sept. -	5·24	24·13	35·98	65·35	1¾ „ –	21·43	7·74	29·17
31 Dec. -	4·53	22·58	32·06	59·18	1¾ „ 2	21·34	7·80	29·14
1845:—31 March	5·08	24·84	38·54	68·46	2½ „ 2¾	20·91	7·57	29·48
30 June -	5·05	24·91	37·48	67·43	2¾ „ –	21·76	7·81	29·57
30 Sept. -	5·08	25·58	43·62	74·28	2¾ „ 3	22·19	7·56	29·75
31 Dec. -	4·79	25·31	43·00	73·10	3 „ 4½	22·35	7·58	29·93
1846:—31 March	5·14	25·82	46·82	77·78	4 „ 5	21·16	7·71	28·87
30 June -	5·03	25·77	42·02	72·83	5 „ 4	21·02	7·83	28·85
30 Sept. -	5·20	25·44	43·91	74·56	3¾ „ 3	21·67	7·48	29·15
31 Dec. -	4·63	24·09	40·06	68·78	3 „ 4	21·83	7·60	29·43
1847:—31 March	5·21	26·42	47·30	78·93	4 „ 6	20·69	7·78	28·47
30 June -	5·23	26·68	45·32	77·23	5 „ 8	20·08	7·78	27·86
30 Sept. -	5·11	25·39	44·24	74·73	4½ „ 10	19·33	7·25	26·58
31 Dec. -	4·80	23·48	34·40	62·69	10 „ 4	20·16	7·01	27·17
1848:—31 March	5·14	23·37	31·90	60·41	4 „ 3	18·91	6·13	25·04
30 June -	5·01	23·15	27·75	55·91	3½ „ –	19·16	6·48	25·64
30 Sept. -	4·81	22·12	28·78	55·72	3 „ –	19·17	6·09	25·26
31 Dec. -	4·67	21·84	26·10	52·61	3 „ 2½	18·72	6·42	25·14
1849:—31 March	5·07	22·83	28·20	56·11	„	19·26	6·16	25·42
30 June -	5·08	22·86	27·37	55·31	„	19·70	6·37	26·07
30 Sept. -	5·10	22·66	28·07	55·83	2½ „ 2	19·54	5·96	25·50
31 Dec. -	4·74	21·97	28·23	54·93	2 „ 1¾	19·08	6·36	25·44

(*continued*)

TOTAL AMOUNTS Drawn or Created during each Quarter of the Twenty-four Years 1830–1853—*continued.*

1.	2.	3.	4.	5.	6.	7.	8.	9.
THREE MONTHS ENDED	Bills of Exchange (Inland), England and Wales; Amounts Drawn or Created. I. Small Bills.	II. Medium Bills.	III. Large Bills.	TOTAL Bills.	Market Rate of Discount in London.	Average Circulation during each Three Months of Bank of England.	Private and Joint Stock Banks of England and Wales.	TOTAL Circulation.
	Mlns. £.	*Mlns.* £.	*Mlns.* £.	*Mlns.* £.	*P'Cent. p'Ann.*	*Mlns.* £.	*Mlns.* £.	*Mlns.* £.
1850:—31 March	4·95	22·92	30·13	58·00	2 @ 2½	20·20	6·27	26·47
30 June -	5·01	23·41	31·28	59·70	„	20·82	6·49	27·31
30 Sept. -	5·00	23·67	34·76	63·42	„	20·98	6·16	27·14
31 Dec. -	4·63	22·91	32·86	60·41	2½ „ 3½	20·36	6·39	26·75
1851:—31 March	4·91	24·38	36·21	65·51	2½ „ 3	20·32	6·18	26·50
30 June -	4·94	24·10	36·78	65·82	„	20·47	6·39	26·86
30 Sept. -	4·92	24·38	37·73	67·04	2½ „ –	21·01	5·92	26·93
31 Dec. -	4·73	23·56	32·28	60·57	2½ „ 2	20·75	6·26	27·01
1852:—31 March	5·12	24·66	33·58	63·36	2 „ –	21·49	6·17	27·66
30 June -	4·93	23·66	34·15	62·74	1½ „ 2	22·81	6·42	29·23
30 Sept. -	4·88	24·77	39·88	69·52	„	24·08	6·31	30·39
31 Dec. -	4·64	23·33	39·58	67·55	„	24·34	6·76	31·10
1853:—31 March	4·70	24·88	46·55	76·13	2 „ 3½	24·01	6·77	30·78
30 June -	4·60	24·82	45·86	75·27	2 „ 2½	24·43	6·85	31·28
30 Sept. -	4·58	26·82	56·75	88·14	3 „ 4½	24·38	6·73	31·11
31 Dec. -	4·70	29·47	52·52	86·69	4½ „ 5½	23·29	7·06	30·35

Note.—In all the preceding Columns (except Col. 6, Rate, &c.), the *four* figures at the unit end are omitted, thus 4·70 represents 4,700,000 *l.*

The Cols. 7, 8, and 9 of Bank Note Circulation are the average of the number of weeks ending nearest to the last days of the several quarters set forth in Col. 1.

The Stamp-Office Returns, from which the Bill Circulation in Cols. 2, 3, 4, and 5 is calculated, terminate strictly, on 5 April, 5 July, 10 October, and 5 January, but for the purposes of this Table, the Bill Circulation may be justly considered to correspond with the quarterly periods of the Bank Note Circulation.

The figures in col. 5 represent the total amount of inland bills drawn in England and Wales during each period of three months, 1830–53. The three groups composing those bills being drawn at average usance ranging from 3·14 months to 4·20 months, it follows therefore that having before us the total amount of bills *created* in each quarter of each year, we can only arrive at the average amount of bills in circulation at *one time* during the *whole* of each year, by applying with great care the element of usance. If, for example, the usance was precisely three months, the circulation of *inland* bills in England and Wales would be the amounts in Col. 5; but the usance is considerably *more* than three months, and therefore the inland bill circulation is *more* than is indicated by Col. 5.

I have explained elsewhere (*History of Prices*, Vol. VI. page 587–8), that as the general result of these inquiries, I have arrived at the conclusion, that at present (1857) the total bill circulation (inland and foreign) of the United Kingdom is constantly not much less than 180 *millions sterling*; and it is probable that it sometimes rises to 200 *millions sterling.*

The constant and close connexion between augmentations of the Bill Circulation and the occurrence of difficulties and pressure in the Money Market, is shown very clearly by the figures relating to at least six of the years included in the Table. For example:—

(1.) In 1836 the pressure which commenced in the autumn, led to an increase of the bill circulation of nearly 25 per cent., or from 65,000,000 in the quarter ended 5 July to 78,000,000 in the quarter ended 10 October 1836; and the amount of the bill circulation continued to range between 78,000,000 and 73,000,000 till the spring of 1837, when contemporaneously with a material fall in the rate of discount the bill circulation declined to 63,000,000 and 58,000,000.

(2.) In 1839 the amount of bills increased regularly with the rise of the rate of discount, until the bill circulation of 68,000,000 in October to December 1838, when the rate was 3½ per cent., rose to 82,000,000 in July to October 1839, when the rate was 6 per cent.

(3.) In October to December 1844, when the rate of discount was under 2 per cent., the bill circulation was only 59,000,000.

(4.) In October to December 1846, when the rate was 3 to 4 per cent., the bill circulation was 69,000,000; but it rose to 79,000,000 during the difficulties of January to March 1847, and remained at 75,000,000 to 78,000,000, till the removal of pressure by the Government letter of October 1847.

(5.) In

(5.) In July to October 1852, with a rate of 1½ to 2 per cent., the bill circulation was 63,000,000; but it rose to 84,000,000 to 88,000,000 during the pressure of August to December 1853.

Nor further does there appear to be any correspondence or similarity or connexion between variations in the note circulation, and the variations in the bill circulation: For example:—

(1.) In the quarter ended 30 September 1847, the *note* circulation was 26,580,000 *l.*, and the bill circulation 74,730,000 *l.* In the quarter ended 30 June 1849, the note circulation had fallen only half a million, or to 26,070,000 *l.*, while the bill circulation had fallen nearly 20 millions, or to 55,310,000 *l.*

(2.) In the quarter ended 30 September 1852, the *note* circulation was 30,390,000 *l.* and the bill circulation 69,520,000 *l.* In the quarter ended 31 December 1853, the note circulation was as nearly as possible the same (30,350,000 *l.*); but the bill circulation had risen 25 per cent., or to 86,690,000 *l.*

Globe Insurance, Cornhill, 5 June 1857. *Wm. Newmarch.*

Appendix, No. 40.

MINUTE of the COURT of DIRECTORS of the BANK, 19 February 1857, relative to the provisions of the Act 8 & 9 Will. 3, regulating the ELECTION of DIRECTORS. Appendix, No. 40.

At a Court of Directors, Bank of England, Thursday, 19th February 1857.

Resolved,

That the provision in the Act 8 & 9 Will. 3, c. 20, s. 52, viz.,

"That on all future Elections of Directors there shall not be chosen above two-thirds (2/3) of those who were Directors the preceding year," having been found very inconvenient,

The Governor be requested to endeavour to obtain an alteration of the law, so as to allow five-sixths instead of two-thirds to be re-elected.

John Bentley, Secretary.

Appendix, No. 41.

Appendix, No. 41. LETTERS from Managers of *Scotch* Banks relative to the Operation of the Bank Act of 1845.

BANK OF SCOTLAND.

Bank of Scotland.

Sir, Edinburgh, 25 November 1856.

Upon the 17th instant we had the honour of acknowledging your letter of the 15th November, and we now proceed to make some remarks upon the operation of the Act passed in 1845 for the purpose of regulating the currency of Scotland.

We are not of opinion that the banks of issue and deposit have any control over the circulation, which, as the name imports, is the action of the public; but they can increase or diminish their advances of capital made through discounts and loans. These fluctuations can occur in their business, irrespective of the currency, or, if conducted through that medium, can be effected with small variations in its amount, provided the circulation is rapid and is managed with economy.

Such being the case, we have not found that the Act of 1845 has been attended with any important results upon the business of this bank. For some period previous to 1845 we were in the practice of maintaining a reserve of gold, silver, and notes of the Bank of England, varying probably between one-fourth and one-sixth of our notes in the hands of the public. This reserve was independent of the amount of the bank notes in our London accounts, which is always considerable. Since 1845 our reserves of a similar description have varied from one-half to one-third of our circulation. The loss of interest upon this increased reserve is the only direct change which we have experienced from the Scottish Currency Act. We have understood that one object of the Act was the regulation of those fluctuations in price, which result from overtrading. Without entering on the abstract part of this question, it may be sufficient to point out that the deposits and capital (paid up) of the Scottish banks cannot, on a fair estimate, be less than 63,000,000 *l.*, whereas the gross circulation may be stated in round numbers at not more than 4,000,000 *l.*, which in our experience is in the proportion of about one in nine of the whole sum under loan, and returns in ten days. It seems to us that such a circulation, so managed as to be a sufficient medium for the operations connected with the large trading means of the Scottish banks, proves that the regulation of the advances of capital, not of the circulation, is the correct rule for the purpose of avoiding violent fluctuations in commerce and manufactures.

It may be proper to observe, that we now charge a commission upon the advance of money on accounts when we undertake to keep such advances at the disposal of our connexions, to be used by them or not, as may suit their convenience. This charge was first imposed two years previous to the passing of the Act of 1845, and was intended to remunerate the bank for the option which it involves. We notice it because it is charged upon many transactions, in what are called cash credits, which have this optional character.

We would therefore say, upon the whole, that, with the exception of the expense of the additional reserve of gold, the Act of 1845 has been inoperative as regards this bank, and that we do not think it necessary to make any further comments upon it.

The operations of the Scottish banks are not however confined to Scotland, as our transactions are finally balanced in London, where a large proportion of our most important business is conducted through our correspondents. We therefore propose to make some remarks upon the Bank Charter Act of 1844.

The 10th section of this Act has, we apprehend, produced an effect extremely favourable to the prosperity of Scotland. We have already pointed out the large means employed in Scotland by the banks for the encouragement of commerce, trade, and agriculture, and we may add, that at this period these means are so brought home to the door of every one that there are no less than 585 banking offices in the country, being in the proportion of one office to each 5,230 of the population.

The difference between the state of Scottish banking in 1844 and the present day, consists in this, that no new bank has been established since the Act of that year, and in consequence the excessive competition which then obtained, and which had the tendency to increase indefinitely the risk of banking operations, has now very much abated. The section refers to banks of issue exclusively; the practical effect has been what we have stated.

The inconvenience connected with the Bank Charter Act which we wish to bring under your notice, arises from the mechanical action of the 2d section.

Although

Although we do not admit what is termed the "Currency Theory," yet we considered that the Act of 1844 might be attended with good results, by enforcing self-reliance, and the maintenance of reserves upon bankers and merchants, and we are disposed to believe that this effect has in some degree been realised. But at a period of incipient discredit this provident disposition now rises to alarm, owing to the stringent provisions of the Act, and occasions hoarding. It seems to us that this is a fatal objection to the mechanical enactments, because in the proportion they are found to be inviolable will the alarm increase; and, on the other hand, it is equally clear that, if departed from once and again, they will become a dead letter. Appendix, No. 41. Bank of Scotland.

Taking into view, therefore, this point of experience, the delicate management required when a large importation of corn is necessary, and the inadequacy of a rise in the rate of interest to meet a high premium on gold connected with foreign demands, we are of opinion that when important cases of this description occur, they should be determined by the Board of Trade, under the recommendation of the Directors of the Bank of England.

It does not appear to us that a further issue of bank notes should take place against securities, but on looking back we are led to think that if the Bank had held an additional sum of 3,000,000*l.* of reserve since 1844, the position of that establishment would have been easy. We therefore believe that with this additional reserve (the cost of which we estimate at 100,000*l.* to 110,000*l.* per annum), with a vigilant and judicious administration in altering the rates of interest, and an appeal to Government in extreme cases, the Act of 1844 would be found satisfactory to the country.

It is of less consequence to remark, but we will also venture to say that the present publication of the state of the Bank's accounts must lead to false inferences, and, consequently, to unfounded presumption at one time and alarm at another, for the public cannot be acquainted with the whole truth bearing upon the Bank's position at any given period. If this information were given to Government, the state of the exchanges, the variations in the rate of interest, and such other notice as the course of the Bank's business might afford, would be a guide, so far as such indications can be made really useful; for it must always be remembered that, if reserves are not maintained by the individuals of the community, no notice can save them from serious loss and inconvenience at a period of discredit.

It is impossible to trace the latent action of the transactions of bankers and merchants upon the exchanges, although the result of agricultural deficiency is apparent when it occurs. It seems reasonable then that the Bank of England should receive some increased privilege from the country, if called upon to maintain a large reserve.

We should not have brought forward these remarks if we had not been honoured with your requisition, and if we had not found that our opinions on the Act of 1845 could not be stated fully and fairly without some reference to the Bank Charter Act. Neither should we have objected to a further trial of these Acts if they had appeared unobjectionable to Government, although we consider that those points in the Act of 1844 to which we have alluded must eventually be subjected to amendment.

The vast extension of trade, and the increased tendency to make London the centre of payments, seem also to point towards this conclusion.

The Right Hon.
Sir G. Cornewall Lewis, Bart.

I have, &c.
(signed) *Alex. Blair.*

ROYAL BANK OF SCOTLAND.

Sir, Edinburgh, 3 December 1856.

I HAVE the honour to acknowledge receipt of your letter of the 15th ultimo, in reference to the operation of the Act 8 & 9 Vict. c. 35, regulating the issue of bank notes in Scotland; and having laid it before the Directors, I am desired to inform you that in the opinion of this bank nothing has occurred in the operation of that measure to raise any doubt of the soundness of the principle on which the Act was founded, or to support the opinion entertained by some that the Act has placed undue restrictions on the power of the banks to accommodate the public. Royal Bank of Scotland.

But while entirely approving of the policy of the Act, it appears to us to be worthy of consideration whether the amount of circulation assigned to the banks in Scotland may not be enlarged with advantage to the community, and without detracting from the principle of the Act. This suggestion is founded not alone on the altered circumstances of the country and the great extension of commerce since the passing of the Act, but also on the fact that the averages which were adopted as the rule for fixing the authorised circulation of the banks were, from the cause to be explained, the minimum amounts of their issues at the time. The returns of circulation furnished previously by the banks, and from which these averages were deduced, had been made up immediately after the banks had mutually exchanged their notes, and when, consequently, their issues were at the lowest point. But it has not been found practicable to make the returns under the Act 1845 at the same point of time, and in this way the apparent circulation is increased by notes not in the hands of the public, but in the tills of other banks awaiting next exchange.

Should the authorised circulation of the banks be revised, it is submitted that in so far at least

Appendix, No. 41.

Royal Bank of Scotland.

least as regards any increase to be made, some effect should be given to the amount of paid-up capital of the different banks.

It would be a convenience to the banks, and a saving of expense, were the period for striking the averages extended to eight weeks. The large monetary transactions of Scotland, arising out of the transfer of land and landed securities, are settled in Edinburgh at the terms of Whitsunday and Martinmas, and a large issue of notes is required at these terms, not for general circulation, but to settle the transactions referred to. Generally speaking, these additional issues do not reach the public at all, but rest with the other banks till the following exchange. Were the averages extended as proposed, the returns of the circulation would not be materially altered, while the banks would escape the risk and expense of bringing gold from London to meet a mere temporary and exceptional exigency, unconnected with the real extent of their circulation, and which in many cases has immediately to be sent back.

I have, &c.

The Right Hon. (signed) *James Wright*, Secretary.
Sir G. Cornewall Lewis, Bart.

BRITISH LINEN COMPANY BANK.

Sir, Edinburgh, 25 November 1856.

British Linen Company Bank.

I HAVE the honour to acknowledge your letter of the 15th current, which I duly received and communicated to the Directors and principal officers of this bank.

I now beg to report to you that the opinions entertained here as to the operation of the Act 8 & 9 Vict. c. 38, are to the effect that all the provisions of the Act are very judicious and salutary, and well calculated to maintain a moderate amount of specie within Scotland in support of the paper currency.

So far as the experience of this bank goes, no inconvenience has been produced by the Act to the banks or to the public, and I take the liberty to express the hope that no relaxation or change will be made in its terms, lest its efficiency should be impaired.

I have, &c.

The Right Hon. (signed) *Tho. Corrie.*
The Chancellor of the Exchequer.

COMMERCIAL BANK OF SCOTLAND.

Sir, Edinburgh, 27 November 1856.

Commercial Bank of Scotland.

I AM instructed by the Directors of the Commercial Bank of Scotland to state, in reply to your letter of the 15th instant, that the Act of 1845 (8 & 9 Vict. c. 38,) regulating the issue of bank notes in Scotland, is a measure which, as a whole, has met with their approval, and it does not occur to them to suggest any alterations in its provisions.

Our Directors are of opinion that that Act, taken in conjunction with the provision in the Bank of England Charter Act of the previous Session of Parliament, prohibiting the formation of any new banks of issue, has worked well in practice, and has proved beneficial, not only to the banks themselves, but also to the general interests of the community.

Our Directors are aware that objections have been stated to the details of the measure, particularly in respect to the limitation of the issues of the various banks, and the obligation upon them to hold specie against any excess in such issues. But so far as this bank is concerned, our Directors do not complain of these provisions of the statute, and do not feel any hardship in holding specie as required of them by law. At the same time, if it shall seem wise to Her Majesty's Government to propose the relaxation of the law affecting the limitation of the circulation of the banks in Scotland, in consequence of the extension of the trade of the kingdom, our Directors can see no harm, as regards the safety of the public, in such modification of the statute.

Our Directors are strongly of opinion that any alteration in the present laws affecting banking in Scotland which would admit of excessive competition in banking, such as existed previous to 1844, would be highly injurious to the true interests of the public, by encouraging wild speculation, and extremely detrimental, probably most hazardous, to the numerous class of persons engaged, or who might be engaged, as shareholders in the Scottish banks.

There never was a period in which Scotland has made such rapid progress in improvement and material prosperity as during the 12 years since 1844. The banks have been fully able to give all due facilities to the extension of trade during that time, and have opened a great many additional offices throughout the country for the accommodation of the community. The competition of the various establishments has been very active, and every legitimate want of the public has been supplied.

The Directors of the Commercial Bank could not, therefore, approve of any measure calculated to make any important change in the principles of the existing laws affecting the practice of banking in Scotland.

I have, &c.

The Right Hon. (signed) *A. K. Mackenzie*, Manager.
Sir G. Cornewall Lewis, Bart., M.P.

NATIONAL

NATIONAL BANK OF SCOTLAND.

Sir, Edinburgh, 29 November 1856.

I HAVE received and submitted to the Directors of this bank the letter with which you have favoured me, dated the 15th instant, and am desired to say in reply to it, that nothing occurs to us to suggest in reference to the Scotch Issue Act, 8 & 9 Vict. c. 38, unless that it might be expedient to revise and extend the amount which each of the Scotch banks is at present authorised by certificate to issue, by assuming (as was done in 1845) the average circulation during the last twelve months as the basis of the new certificates. National Bank of Scotland.

Some parties appear to have an impression that the Act imposes unnecessary restrictions upon the banks, and thus restricts their ability to accommodate the public; but we have not found it so in our own experience, at least in any degree worth notice.

I have, &c.
(signed) *W. J. Duncan.*

To the Right Hon.
Sir G. Cornewall Lewis, Bart.

CLYDESDALE BANK.

Sir, Glasgow, 14 February 1857.

I HAVE the honour to acknowledge the receipt of your letter of the 9th instant, requesting the opinion of myself and those associated with me in the management of the Clydesdale Banking Company respecting the operation of the Bank Act of 1845 (8 & 9 Vict. c. 38), and that we would suggest any amendment of its provisions of which we might consider it susceptible. Clydesdale Bank.

After consulting the Directors of this bank, I beg to inform you that we are of opinion that the principle upon which the issues of the banks in Scotland was fixed under the Act of 1845 was erroneous, in respect that the issues allowed to each bank should have been regulated, not by the accidental circumstance of the amount of notes in circulation during the year ending 1st May 1845, but should have borne a given proportion to the paid-up capital of each bank. At that period the several banks having their head offices in Glasgow had been comparatively of recent formation;—the Union Bank having been in existence 15, the Western, 10, the Clydesdale, 7, and the Edinburgh and Glasgow and City of Glasgow, 6 years. Previous to the establishment of these banks, the whole banking business in Glasgow and the West of Scotland was conducted by agencies of the chartered banks, whose head offices were in Edinburgh, with the exception of some minor banks in Glasgow and neighbourhood, and all of which have since been merged in one or other of the Glasgow banks above-named.

While the commercial business of the West of Scotland and the operations of the banks established in Glasgow have largely increased, the Act of 1845 makes no provision for any increase in the wealth and business of the country at large, nor for the altered circumstances of the banks themselves.

The operation of the exchanges of bank notes among the several banks throughout Scotland, which are settled in Edinburgh twice each week, at once and effectually prevents an over-issue on the part of any bank.

Under these circumstances, we are of opinion and beg to suggest that the provisions of the Act should be amended in the following respects:—

1. That the principle regulating the issue of notes, under the Act of 1845, should be altered, and that it should be provided that each bank should be bound to hold a certain amount of gold and convertible Government securities, in such proportions to the gross amount of its circulation, from time to time, as Parliament may determine.
2. That the gold and silver coin held by the banks at their several agencies throughout the country should be taken into account in making the weekly returns of the stock of bullion held by each.

By the Act of 1845, we are precluded from considering and taking credit for any coin not in custody of the head office, as applicable to our over-issues, although it may happen that the excess of issue may have taken place at one of the branches, where a considerable portion of the gold may be lying.

While these are our views in regard to the Act 8 & 9 Vict. c. 38 (1845), we avail ourselves of this opportunity of bringing under the notice of yourself, and of the Government, the disadvantages under which the unincorporated joint-stock banks are placed by the operation of the Act for regulating joint-stock banks in Scotland, 9 & 10 Vict. c. 75 (1846), extending to Scotland the English Joint-Stock Bank Act, 7 & 8 Vict. c. 113.

I am desired respectfully to request your attention to these disadvantages, which are fully explained in a memorial presented to your predecessor, the Chancellor of the Exchequer, in 1853, a copy of which, with the opinions of counsel thereon, I beg to enclose, and to which there is appended a memorandum of the alterations made by Parliament on that statute since the date of the memorial.

 I am

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Clydesdale Bank.

I am also desired to state that a deputation from this bank (and I have no doubt from others similarly situated) will be happy to wait upon you at any time you may appoint, for the purpose of more fully explaining our views on the important subjects above referred to.

I have, &c.
(signed) *Geo. Readman.*

The Right Honourable
the Chancellor of the Exchequer,
&c. &c. &c.

MEMORANDUM of Alterations in the Statute 9 & 10 Vict. c. 75 (1846), for the Regulation of Joint-Stock Banks in Scotland, extending the Act 7 & 8 Vict. c. 113 (1844), to Scotland.

1. By statute 17 & 18 Vict. c. 73 (1854), s. 1, the right of retention or lien, competent by the common law of Scotland to a company making advances to a partner, is reserved to joint-stock banks, over the shares of partners, for debts due by partners to the bank, in the event of a bank taking a charter under the statute 9 & 10 Vict. c. 75.

2. By statute 19 Vict. c. 3 (7 March 1856), power is conferred on the Crown to grant letters of incorporation, under the statute 9 & 10 Vict. c. 75, either for a term of years or in perpetuity, in place of for a limited period of 20 years.

Unincorporated Scotch Banks.

THE following STATEMENT is submitted to the Chancellor of the Exchequer by the undermentioned Unincorporated Banks or Banking Companies in Scotland; viz.

The Union Bank of Scotland,
The Western Bank of Scotland,
The Clydesdale Banking Company,
The Edinburgh and Glasgow Bank,
The City of Glasgow Bank,

in order that the same may be laid before the Committee now sitting on the subject of the Bank Acts of 1844 and 1845:—

They beg to represent the very serious disadvantages which, from not being incorporated, they are by the Act of 1844, extended to Scotland in 1846, made to lie under, in comparison with other Scotch banks which had obtained charters of incorporation before the passing of these Acts, and from not being allowed to obtain incorporation, except by subjecting themselves to disabilities from which those other banks are exempt.

Previous to the passing of the Acts referred to there were five Scottish banks incorporated. At that period the amount of moneys required by public or private Acts of Parliament to be deposited in bank was comparatively insignificant, but it has recently been much increased under the operation of Drainage and Railway Acts, and especially of the Pupils' Protection Act, which has a very extensive application, and all of which Acts require that moneys having to be placed in bank shall be so placed in one that is incorporated. Thus an invidious and injurious distinction is created between the incorporated and unincorporated banks, although the one are not entitled to assume superiority over the other, whether as respects capital, credit, or respectability. Indeed, the injustice of the distinction has been tacitly acknowledged by Government, inasmuch as the Lord Advocate in all recent Bills affecting Scotland has permitted trust and other moneys to be deposited in any joint-stock bank of issue, whether incorporated or unincorporated. At present, too, the unincorporated banks cannot take or hold securities as a firm or copartnery, but only in the name of trustees for their behoof; and as those trustees are constantly changing, much inconvenience as well as risk and expense are incurred in keeping the securities available.

The unincorporated banks would naturally seek to remedy these evils by applying for charters of incorporation; but in doing so they are met by regulations which do not affect the banks that were incorporated before the passing of the above-mentioned Acts, and which if submitted to by the former would place them at a disadvantage as compared with their more fortunate neighbours.

The 6th clause of section 4, Act 7 & 8 Victoria, cap. 113, provides for the publication of the assets and liabilities of the company once a month. Could such publication be regarded as affording any true index to the state of a bank's affairs, there might be little objection to the requirement, provided the rule were made applicable to all banks alike; but the five chartered banks being exempt from it, publication by the others on obtaining charters would tend to lower them in status relatively to the former, and might possibly lead to more serious consequences. Such publication, however, affords no protection either to the public or shareholders, as is amply illustrated in the case of the Royal British Bank.

That there are no circumstances in their relative position warranting such distinction will be sufficiently evident on adverting to the present state of the banking establishments in Scotland, as exhibited in the Appendix to this Statement, from which it appears,

1. That the five chartered banks possess collectively a paid-up capital of 5,600,000 *l.*, while that of the five unchartered banks is 5,307,000 *l.*

2. That the chartered banks have, or had lately, an aggregate of 4,343 partners or shareholders, while the unchartered numbered at the same period 6,472 partners.

3. That

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3. That the chartered banks have 228 branches in various parts of Scotland, and the unchartered have 304.

Unincorporated Scotch Banks.

4. That the chartered banks have an authorised circulation of 1,593,413 *l.*, and the unchartered have an authorised circulation of 1,067,234 *l.*; while their actual circulation bears a much higher proportion—the latest returns (those of April 1857) being, chartered banks, 1,765,784 *l.*; unchartered banks, 1,530,080 *l.*

This statement does not represent the other seven unincorporated (banks) Scotch banks, partly because the capital of these companies, as well as their operations, are on a less extensive scale, and because, lying more remote from the centres of business, they feel less sensibly the hardship complained of. In so far, however, as they are exposed to competition with the chartered banks, their grievance is the same.

It may also be noticed that the five unchartered banks submitting this statement are principally Glasgow banks, while all the chartered banks have their head offices in Edinburgh; and it cannot but be deemed a hardship that the banking establishments of a city, which now ranks second only to London in commercial importance, should be denied equal privileges with those of Edinburgh, or at least that they should (in favour of the latter) be deprived by statute of rights which they originally possessed; for such is the result when deposits are compulsorily taken from them to be placed in any of the chartered banks or their branches. This consequence of the enactments complained of they now experience almost daily, and to a rapidly increasing extent, large sums as well as important operative accounts being continually withdrawn from them to be taken to a chartered bank, and often under circumstances most harassing and inconvenient to the parties who are compelled so to act.

In conclusion, it is humbly submitted that the present time affords a favourable opportunity for abolishing the objectionable enactments, and for introducing a measure which, while giving the public perfect safety, would place the banks in Scotland all upon the same level, and so cease to create distinctions which are unjustified by the positions of the respective establishments.

APPENDIX referred to in the foregoing Statement.

NAME.	Date of Establishment.	Amount of Capital Paid up.	Amount of Share Paid.	Number of Partners.	Number of Branches.	Authorised Circulation.	Actual Circulation, April 1857.
		£.	£. s. d.			£.	£.
1. Bank of Scotland	1695	1,000,000	100 – –	645	35	300,485	368,920
2. Royal Bank of Scotland	1727	2,000,000	100 – –	958	35	183,000	234,127
3. British Linen Company	1746	1,000,000	100 – –	630	48	438,024	436,579
4. Commercial Bank of Scotland	1810	600,000	100 – –	657	61	374,880	422,561
5. National Bank of Scotland	1825	1,000,000	10 – –	1,453	49	297,024	303,597
		5,600,000		4,343	228	1,593,413	1,765,784
6. Union Bank of Scotland (Comprehending seven others, all of much older date; one of them established in 1695).	1830	1,000,000	50 – –	930	73	415,690	509,335
7. Western Bank of Scotland (Comprehending four others of older date).	1832	1,500,000	50 – –	1,280	98	337,938	435,440
8. Edinburgh and Glasgow Bank (Comprehending two others).	1838	1,000,000	5 – –	1,575	23	136,657	148,821
9. Clydesdale Banking Company	1838	807,000	10 – –	1,381	13	104,028	145,635
10. City of Glasgow Bank	1839	1,000,000	10 – –	1,306	97	72,921	290,839
		5,307,000		6,472	304	1,067,234	1,530,080
11. Aberdeen Town and County Bank 12. North of Scotland Bank 13. Dundee Banking Company 14. Eastern Bank of Scotland 15. Caledonian Banking Company 16. Perth Banking Company 17. Central Bank of Scotland	1763 — 1838	1,099,795		3,872	84	426,562	536,721
	£.	12,006,795		14,687	616	3,087,209	3,832,585

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Unincorporated Scotch Banks.

EXTRACT from the Edinburgh Gazette of 23d November 1849.

EXCHANGE BANK OF SCOTLAND.

Monthly Return, as on 22d November 1849.

I.—LIABILITIES.	£.	s.	d.
Paid-up Capital	350,000	–	–
Deposits, including all Loans to the Bank	260,444	10	1
	610,444	10	1
II.—ASSETS.			
Money, Securities for Money, and other Assets of the Company	610,444	10	1

EXTRACT from the London Gazette of 18th February 1853.

THE ROYAL BRITISH BANK.

Monthly Statement of the Liabilities and Assets.

Dr.	£.	s.	d.	*Cr.*	£.	s.	d.
To Capital Stock	100,000	–	–	By Securities for Loans; Advances on Cash Credit Accounts, &c.; Bills of Exchange; Balances due by other Banks, &c.; Preliminary Expenses, and Property of the Bank in Buildings and Furniture at Head-office and three Branches, &c.; Uncalled-for Stock; and Cash in the Bank and in the Bank of England	872,483	6	11
– Deposit and other Liabilities, including Promissory Notes or Bills, made, issued, and in circulation, by virtue of the Bank's Charter; and including also receipts on account of New Shares; and Balance carried to Profit and Loss Account	772,483	6	11				
£.	872,483	6	11	£.	872,483	6	11

Made out and published for the period ended 29th January 1853, pursuant to the statute 7th & 8th Vict. c. 113.

N. B.—A more detailed statement of the above, and of the amount and nature of the capital and property of the bank, of their present estimated value, and of the amount of the bank's negotiable obligations in circulation, may be seen at the bank any day between 10 A. M. and 4 P. M., for one week from the 25th instant, on personal application by any shareholder.

(signed) *Hugh Innes Cameron*,
General Manager.

Royal British Bank,
16, Tokenhouse Yard, 17 February 1853.

MEMORIAL for the Union Bank of Scotland and the Western Bank of Scotland, and Opinion thereon, by the Right Honourable the Lord Advocate and the Solicitor-General of Scotland.

THE Memoralists are desirous of procuring the opinion of the counsel for the Crown, relative to a question which has arisen under the English Joint-Stock Bank Act of 1844, which was made applicable to Scotland by the Act 1846.

By the Joint-Stock Banks Act of 1844, there are certain conditions stated on which charters are thenceforth to be granted; one of these is to the following effect:—That provision shall be made in the deed of copartnery, "for preventing the company from purchasing any shares, or making advances of money, or securities for money to any person on the security of a share or shares in the partnership business."

Now, to such a declaration the Memorialists have the greatest objections. It is unnecessary to point out here the nature of those objections, as they are fully detailed on page

second

second of the printed Memorial sent herewith. The Memorialists are willing that the common law shall be held applicable to them, as it is to all other companies where no special provision is made; and what they humbly maintain is, that such a declaration as that quoted, would in effect be, *quoad* them, altering the common law of Scotland. They do not wish a special provision in their favour, entitling them to make advances on the security of their stock, and they might also dispense with any general assignation of the shares held by partners for security of any debts owing, or obligations undertaken, by them to the bank; but, on the other hand, they cannot agree to a special provision which is to place them in a position so different from all other companies, and from the banks already incorporated. As, however, some doubts have been entertained, at least in England, how far the common law of Scotland does entitle a company there to hold its shares in security, the Memorialists are anxious to bring this matter under the notice of counsel.

The questions are,—

1. Supposing a shareholder of a Scotch joint-stock company (whether mercantile company or banking) is indebted to the company of which he is a partner, either individually in his own name, or as a cautioner for others, have the company a right of lien, or hypothec, over his shares for the amount of such debt, whether there be any clause in their contract of copartnery, giving them such right of lien or not?

This is the simple point on which the opinion of counsel is at present wished, in order that it may be communicated to the Board of Trade, so that the law on the question may be in the view of the Board when deciding upon the application of the Memorialists.

2. Should counsel hold that the Memorialists have rightly interpreted the common law of Scotland on this point, and Her Majesty's Government be disposed to relieve them from the disability which the Act imposes, the Memorialists conceive that, for this purpose, it might not be requisite to alter the Act itself, but rather to declare, by statutory enactment, that the clause in question should not affect, or be held to operate, any change of the common law of Scotland on that point, and counsel will please say, whether they would consider such a declaratory enactment sufficient for the purpose.

3. It has been maintained by some, that the clause referred to would not necessarily alter the common law, even as applicable to banks, but would merely prevent any special provision in their contracts, and that the clause itself strikes only against advances made directly and *per expressum* on the security of the stock or shares, not against advances made, or obligations undertaken, without any special bargain or reference to the shares; but the Memorialists cannot regard such a construction as conformable to the spirit of the clause in question, or the meaning with which it was passed, and they do not think it would be proper, in a question of this kind, either to allow such a doubt to exist, or to hazard the important interests entrusted to them on any uncertainty of the law. At the same time, the Memorialists would be obliged if counsel would state their views on this point also.

OPINION.

1. We are of opinion that, by the common law of Scotland, the stock or share of capital of a partner in an ordinary partnership, equally with his share of profits, may be retained in security, and applied in payment of any general advance made by the copartnery to the partner, or to another on his suretyship, and of debts becoming due otherwise to the copartnery by the partner; and we are of opinion, that the same rule of common law is applicable, and we apprehend is recognised and applied to the case of a partner of an unincorporated joint-stock company, which, in this respect, is not to be distinguished from ordinary partnership. We are, therefore, of opinion, that in the case put, of a shareholder of a joint-stock company (whether mercantile company or banking), being indebted to the company of which he is a partner, either individually in his own name, or as a cautioner for others, the company have a right of lien over his shares for the amount of such debt, whether there be any clause in the contract of copartnery giving them such right of lien or not.

2. We do not think that a declaratory enactment, such as suggested, would be a suitable mode of obtaining the object in view; and we apprehend that a statute would be required to relieve banking companies in Scotland from the obligation to insert the provision in question in the deed of partnership.

3. Without giving any decided opinion on the legal effect of the clause in question, as regards the common law right of lien or retention, we refer to our answer to the last query, expressing the practical result to which we have come.

The opinion of

(signed) *J. Moncreiff.*
R. Handyside.

Edinburgh, 9 February 1853.

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Unincorporated Scotch Banks.

Case for the Five Unincorporated Banks in Edinburgh and Glasgow, for the Opinion of the Lord Advocate of Scotland.

The accompanying copy of a memorial, recently presented to the Chancellor of the Exchequer, sets forth the nature of certain disabilities to which the Memorialists are exposed, in consequence of their not being incorporated by Royal charter, and the reasons on account of which they feel precluded from applying to obtain that status. They confidently hope that their representation will lead, either to a modification of the Act which at present regulates the granting of such charters, or to a removal of the disabilities in some other way. This they consider themselves entitled to expect as a matter of simple justice, and even of expediency, because the disabilities referred to, with the Acts which create them, have had their origin since the Memorialists were established as banking companies, and also because a continuance of such distinctions between them and the chartered banks, could not fail, sooner or later, to produce consequences injurious to both, as well as to the public at large.

7 & 8 Vict. c. 113.

But, besides the obstacles of a commercial nature, referred to in said memorial, which deter the Memorialists from applying for incorporation, there is one, the legal import and effects of which they do not fully apprehend, namely, that provision of the statute which limits to twenty years the duration of all incorporating charters or letters patent granted under it.

The Memorialists conceive that this provision involves the very serious question, whether, if they were to take out a charter, they would, on its expiration, be entitled to fall back on their present position, or would become extinct altogether, in case a renewal of the charter were withheld, or could only be obtained on terms deemed incompatible with their welfare? Thus, the Act declares, with regard to all banking companies originating after the 6th of May 1844, that before commencing business they shall apply for letters patent, and shall previously execute a deed of partnership, containing *inter alia* certain specific provisions therein expressed; while, with regard to companies then in operation (being the case of the Memorialists), which are not affected by the statute until they place themselves under it by applying for letters patent, it is declared, that "if, upon their compliance with the provisions hereinbefore contained, with respect to companies formed after the said 6th day of May, Her Majesty shall be pleased to grant them letters patent under this Act, as aforesaid, it shall be lawful for them thereafter to carry on their trade and business of bankers, as aforesaid, according to this Act, and not otherwise;" and the directors are empowered (with consent of three-fourths of the shareholders) to execute a new deed of partnership on behalf of such company, a copy of which deed shall be annexed to the petition for letters patent; and if the same be granted, it is declared that "all the shareholders of such company, at the time of the grant of such letters patent, shall be deemed to be incorporated under such letters patent, and to be the first shareholders in such incorporated company."

ss. 1, 2, 4, and 5.

Section 45.

The Memorialists are somewhat uncertain whether, by this section of the statute, it is made imperative or only permissory, for banks which were in operation before the 6th of May 1844, to execute a new deed of partnership. If imperative on them to do so, it would seem to follow that the special provisions before alluded to, must be inserted in such new deed; but if only permissory, then their existing deeds of partnership might, it is presumed, remain unaltered, and in that case it would not apparently be requisite for them to come under the obnoxious provisions which are referred to in their memorial, unless that were insisted on by the Board of Trade. If the statute shall be held to admit of this latter interpretation, the Memorialists' only remaining difficulty would be as to the terminable nature of such charters or letters patent; and on this head the Memorialists cannot help feeling that, even if they could maintain a continued existence after the charter had expired (notwithstanding the expression above quoted, that, on obtaining a charter, they should "carry on their trade and business of bankers according to this Act, and not otherwise,") still, if a new deed of partnership must be executed, that circumstance would strengthen the doubt entertained, whether they could revert to their present position and privileges as bankers, including the privilege of issuing notes, which is denied to all banks established after 6th of May 1844, or thereafter ceasing business "from whatever cause." If they could not do this, they are at a loss to know where they would be, or on what footing they would stand, in the event of a renewal being withheld, or proffered only on terms to which they could not subscribe. Such an uncertainty might be fatal to their welfare as the period of termination drew near; at all events, it would be of too serious a nature for them to hazard interests of such magnitude and importance upon that basis. They therefore desire to be favoured with the opinion of the learned counsel upon that subject, and more especially on the following queries:—

Vide 7 & 8 Vict. c. 32, ss. 10 and 12.

1. In the event of the Memorialists applying for and obtaining a charter or letters patent of incorporation, which, by the statute, would determine in twenty years, could they, on the arrival of that period, maintain a continued existence as bankers, by reverting to their present position, or on what other footing would they stand, supposing that a renewal of the charter were to be withheld, or were offered only on terms to which they could not accede.

2. Do the provisions of section 45 make it imperative on the Memorialists, when applying for a charter, to execute a new deed of partnership, and containing the specific clauses prescribed by section 4th, in the case of banks originating after 6th

6th May 1844, or is it only permissory to do so; and, in the latter case, must the special clauses referred to be inserted in such new deed of partnership, or in the charter, if granted?

3. Do the provisions (particularly the 1st provision) of the Act 9 & 10 Vict. c. 75, which extended to Scotland and Ireland the operation of the statute 7 & 8 Vict. above referred to, in any degree alter the construction of the latter as respects Scotch banks?

OPINION.

I am of opinion that the Memorialists, under the statutes referred to, could not obtain a charter of incorporation to endure for more than twenty years; and, with reference to the answer I have to make to the second query, I think it very difficult to say, that, in the event of that charter not being renewed, the Memorialists could fall back upon their present position, and enjoy all the rights and privileges to which they are now entitled as existing companies and not affected by these statutes. In the event of a renewal of the charter being refused, it would not be easy to say in what situation the Memorialists would stand, or whether they could continue their copartnery, in case of difference of opinion among the copartners as to the propriety of applying for a new charter, or continuing the business of banking; and, on the whole, I feel those difficulties so great, that I am disposed to advise the Memorialists rather to forego the benefit of a charter than to subject themselves to the disadvantages that might arise from bringing themselves under the provisions of the Act, and trusting to the renewal of their charter.

2. I am of opinion, that the Memorialists, if they should apply for a charter in terms of the statute, would be under the necessity of making such alterations upon their contract of copartnery as would be requisite to bring them within the provisions of the Act; this is clearly, under the statute, a condition to their obtaining a charter; in that respect the Act is imperative. It is permissive only in respect of permitting the directors to execute the new contract for and on behalf of the whole company.

3. I think not, in the matters here referred to.

The opinion of

Edinburgh, 9, St. Colme-street, 18 February 1850. *And. Rutherfurd.*

UNION BANK OF SCOTLAND.

Sir, Glasgow, 14 February 1857.

I HAVE had the honour of receiving your letter of 9th current, requesting the opinion of the gentlemen connected with this bank, respecting the operation of the Act of 1845, regulating the issue of bank notes in Scotland, and, in reply, I have to state that their opinion is, that while that Act cramps the action and diminishes the usefulness of the banks themselves, it was not demanded, and is not regarded by the public, as affording any guarantee for the safety of their transactions with the banks.

At the time the Act was passed there were, as you are no doubt aware, five banks having their head offices in Edinburgh, which had all been incorporated by Royal Charter or Act of Parliament long before; and there were also five banks having their chief offices in Glasgow, all of them of comparatively recent origin, but carrying on business in successful competition with the older establishments, although none was possessed of the privileges of incorporation. The older banks had been occupying their respective grounds of operations for very long periods indeed before the Act became law, and each had thus secured a circulation adequate to its wants, but the younger establishments which had been called into existence, some of them only a few years before, to supply the accommodation required by a rapidly increasing mercantile community, were met by the Act at a period of their career too early to enable them to calculate what amount of circulation they would need, far less to entitle them to claim that amount. The progress of the Glasgow banks has been very great since 1845, and, as that progress may be taken as a true indication of the increased banking requirements of Glasgow and the country generally, it is submitted that the time has arrived for taking a new average, and, with that, for considering the propriety of allowing the excess of issues to be represented by Government securities, as in the case of the Bank of England, to a certain extent.

I crave permission to take this opportunity of bringing under your notice the great disadvantages under which the unincorporated banks have laboured since the Act of 1844, entitled "An Act to regulate Joint-stock Banks in England," extended in 1846 to Scotland, as compared with the banks chartered before that date, and of saying that it is to this Act that the objections of the gentlemen directing this bank chiefly apply. This Act, while it left untouched the already chartered banks, created certain restrictions and imposed certain forms upon all banks seeking to be incorporated thereafter, which have all along been felt by the unincorporated banks to be very serious grievances, establishing, as they do, invidious distinctions between different establishments carrying on the same business, and equal in all respects the one to the other. For instance, were this bank to accept a charter under the existing law, it would require to publish a monthly return of the state of its

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Union Bank of Scotland.

its affairs, and to get its accounts audited annually. No such regulations are imposed upon the Edinburgh banks. It is not my wish, and it is far from my intention, to say one word in disparagement of the chartered banks, but, writing in behalf of a bank equal to any of them, whether in regard to deposits, circulation, capital, or proprietary, it is no more than reasonable to express a hope that the same law, whatever it be, should be made applicable to all, and that if it is deemed expedient for public safety that one bank should be obliged to publish and be subjected to an audit, all banks of issue should do the same. Apart altogether from the question of the soundness of the law, it is surely no more than justice to seek that we may all be placed on the same level, and that, if one bank is sheltered from its operation, another should not be subjected to it, merely because the one can point to a charter dated before 1846 and the other cannot. Without, however, arguing this point farther, I would simply add, that the obnoxiousness of the existing law is amply proved by the fact that, although some of its provisions have been modified in consequence of repeated representations of their objectionable character, no bank in Scotland has yet subjected itself to its operation. They prefer the many disadvantages resulting from the want of incorporation to having themselves singled out as the possessors of charters so different from those of their no more wealthy or responsible neighbours.

I send enclosed copy of a memorial laid before Mr. Gladstone, when Chancellor of the Exchequer, and I shall be happy to wait upon you at any time you may appoint, if you desire a personal interview for the purpose of giving you such farther information as you may wish.

I have, &c.
(signed) *Ja. Robertson*,
Manager.

The Right Hon.
Sir George Cornewall Lewis, Bart.

EDINBURGH AND GLASGOW BANK.

Sir, Edinburgh, 20 February 1857.

Edinburgh and Glasgow Bank.

I HAD the honour to receive your letter of the 9th instant, intimating that the Bank Acts of 1844 and 1845 will come under the consideration of Parliament during the present Session, and requesting the opinion of the Directors of this bank as to the operation of the Act of 1845 regulating the issue of bank notes in Scotland, and to suggest any amendments which they may consider necessary on its provisions.

Having laid your communication before the Directors, and advised with them on the subject, I am to state that, assuming the principle of that Act to be fixed, they have no alterations to suggest on its provisions, which give full effect to the principle on which it proceeds. But prior to the passing of that Act, as you are no doubt aware, there was no restriction on the issue of bank notes in Scotland. The Act for the first time introduced such restriction in Scotland, by fixing the amount of each bank's issue at the average of the previous year, and requiring gold for all beyond that limit.

This restriction is considered by the Directors of this, as well as of the other banks of recent origin, inequitable in its application to them. The older banks obtained under that Act certificates for a much larger circulation, although not having larger capitals, and thus have a very great advantage and facility in the conduct of their business, while a greater proportionate expense is thrown upon the younger establishments.

It is also unnecessary as a protection against over-issue. By the admirable system long pursued in Scotland for the regular exchange by the several banks with each other of their respective notes, a complete check is placed upon the possibility of such over-issue. The exchange of notes takes place twice a week in Edinburgh and Glasgow, and once a week all over Scotland; and the balances arising on such exchanges are settled for in Exchequer bills or by bill in London. A large amount of Exchequer bills are held in Scotland for the purpose of meeting these exchanges; and should the bank against whom the balance arises not hold Exchequer bills sufficient to meet such balance, it must be settled by bill on London. Thus, any issue of notes beyond the legitimate demands of trade, must be immediately met by capital in the hands of the bank's London agents. The provision, therefore, for holding gold against the issue beyond the amount in the certificate is unnecessary and troublesome in its operation, as any amount beyond that limit must be required by the trade of the country, and cannot be in excess. They are therefore of opinion that, as formerly, each bank should be allowed, in the exercise of a wise discretion, to hold only so much gold as shall be thought necessary to meet the ordinary contingencies of trade, and any extra demand for gold, without the necessity of holding a fixed amount in regard to their issues.

No doubt the removal of such limitation would cause a considerable quantity of gold to find its way to the Bank of England, where the restriction is alone needed and useful, and would increase the ability of that establishment to discharge its functions under the Bank Charter Act by the amount of gold thus liberated. The Bank of England, from its magnitude, Government connexion, and privileges, has become the centre of the monied interests of this country, and in consequence of that position can alone act with effect on the foreign exchanges, so as to control undue speculation. On the other hand, the trade of Scotland may be said to be local, and uninfluenced by the foreign exchanges, except through the

action

action of the Bank of England. Besides, by the system pursued in Scotland, above explained, over-issue not only cannot exist, but the circulation is actually reduced to the smallest amount necessary for the legitimate wants of the community, as fully and completely as if it were a metallic currency—a result which is obtained without any appreciable expense, while that of a metallic currency is burdensome and expensive to the community.

Should Government not see its way to a change of the principle of the Act, some relief might be afforded by extending the authorised circulation to the average of the past year, and making the issues beyond that extended limit against gold, as at present; or, perhaps, instead of gold, which lies useless and unproductive, the extra issue might be against Exchequer bills or bonds. The greatly increased trade of Scotland since the passing of the Act of 1845 would be benefited by such extension, and would secure to the country a cheap circulating medium, and an economical system of banking, which Scotland has hitherto enjoyed with great advantage and safety.

Although not embraced in your communication, yet from intimate connexion therewith, the Directors would respectfully bring under your notice the provisions of the statute 9th & 10th Victoria, c. 75, regulating the incorporation of joint-stock banks in Scotland. That statute renders the English statute of the previous year (7 & 8 Victoria, c. 113) the regulating statute for Scotland. All the banks in Scotland having their head offices and principal place of management in Edinburgh, except this bank, have charters; and but for that statute, this bank might have had a charter on the same terms as the others. Indeed, the Directors had applied for a charter, and had their petition passed by the Board of Trade some time previous thereto; but owing to the changes in Government, and consequent delays thereupon, did not get it finally adjusted before the discussion which preceded the passing of that statute. To accept of a charter under it would place this bank in an anomalous and invidious position in contrast with other chartered banks who do not require to comply with its provisions. There is no good reason for this distinction; and the hardship is increased, in consequence of the many additional privileges conferred on chartered banks to the prejudice of the unchartered, in respect to the various funds which, by recent legislation, must now be deposited in chartered banks. On this subject the Directors would respectfully refer you to the accompanying copy of a memorial which was submitted to your predecessor in office in 1850, in which this grievance, under which this bank as well as other unincorporated banks labour, is fully pointed out; and they trust that Government will give the subject due consideration.

I have to thank you for having afforded me this opportunity of addressing you, and have, &c.

The Right Hon. (signed) *Chas. Jas. Kerr*, Manager.

Sir G. Cornewall Lewis, Bart.

WESTERN BANK OF SCOTLAND.

Sir, Glasgow, 14 February 1857.

I HAVE the honour to acknowledge receipt of your letter, dated the 9th instant, requesting that after consulting the other gentlemen associated with me in the management of the Western Bank of Scotland, I would give you our opinion on the operation of the Act of 1845, regulating the issue of bank notes in Scotland, and suggest any amendments of which we consider it susceptible.

In compliance with your desire, I shall, briefly, lay before you our views on the subject.

When the continued drain for gold on the Bank of England, in April and May 1854, had excited alarm, and produced great stringency in the money market, I ventured to address two letters to Mr. Gladstone, then Chancellor of the Exchequer, suggesting such modifications of the Act as I thought calculated to relieve the pressure to some extent. And again, in December 1855, when a similar state of things occurred, the five Glasgow banks addressed a joint letter to yourself, as Chancellor of the Exchequer, in which the same suggestions were respectfully submitted for your consideration.

I beg to send herewith copies of all these letters, and to refer you to them, as containing the outline of those amendments of the Act of 1845, which we consider most essential.

These are briefly, first, a revision of the "Circulation Returns for Scotland," up to the present time, with a view to render the amount authorised by law more adequate to the increased and legitimate wants of the country; and, second, a permission to the Scotch banks to hold Government securities, for a certain portion of the excess of their actual over their authorised circulation, instead of being compelled to hold gold for the whole amount of such excess.

As the law of convertibility of the bank note into gold, on demand, will continue, a certain relative proportion of gold must always necessarily be held.

With reference to the first amendment suggested, I beg to observe that the amount of circulation of bank notes for Scotland, authorised by the Act of 1845, was founded on an average of returns for a period when the country was just emerging from a series of years of depression, and when the prices of produce were very low.

The basis on which it was taken was accidental, and not uniform, and had no reference to the amount of paid-up capital of each bank. It was made after the completion of those bi-weekly exchanges of notes among the Scotch banks which, it is well known, temporarily withdraw, at least, one million from circulation. At the time the Act was passed, several

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of the Scotch banks, especially those in Glasgow, had been, comparatively, only a few years in existence, and the development of their business has consequently been seriously affected by its restrictions.

The "Circulation Returns for Scotland," made subsequent to the Act of 1845, and up to the present time, although framed with the view of exhibiting the minimum amount, still show an average (on the returns of the last three or four years) of about one million over the amount authorised by that Act. If the returns were framed to exhibit the maximum amount, or the amount actually in circulation before the completion of those bi-weekly exchanges, then the average would be nearly two millions over the amount authorised by the Act.

This proves that that amount is inadequate to the natural wants of the country, and that our expanded trade, the enhanced cost of labour and produce, the multiplication of commercial transactions, now require a larger measure of representative value.

With reference to the second amendment suggested, I may remark that as the Bank of England's issues are mainly based on Government securities, there would be no violation of principle in granting permission to the Scotch banks to hold a certain proportion of Government securities, instead of gold for the excess of their issues beyond the amount prescribed by law.

The Scotch banks would be benefited by holding a profitable for an unprofitable investment. The public would be benefited by being equally well secured, and by obtaining money at a cheaper rate of interest; and the amount of gold thus liberated would be available in our foreign exchanges.

As I have said a good deal more on this point in my second letter to Mr. Gladstone, a copy whereof is enclosed, I will not enlarge, but simply refer you to it.

These views and opinions are submitted to your consideration with the greatest deference, and are open to discussion and criticism.

But, before concluding, I would most earnestly and respectfully seek to impress you with the importance of having the banking laws of a country uniform.

Now, that is not the case in Scotland. I beg to remind you that there are certain banks in Scotland incorporated by charters, of various kinds and dates, possessed of exclusive privileges.

I take the liberty to send herewith copy of the memorial of the unincorporated Scotch banks on this subject, presented to Government in 1853, and I crave your attention to its statements.

It is true that since that period such modifications have been affected in the law as would enable the Memorialists to obtain charters; but not on the same, or on equal terms and conditions. And it is to to this point I wish to call your special notice. If it be thought desirable that a bank's books and accounts should be examined and verified by auditors, and that the amount of its assets and liabilities should be published in the "Gazette" once a month, let the enactment apply to all banks alike, and let there be no invidious distinction made by the law.

Should further information on these important questions be desired, I shall be happy to furnish it if in my power, or a deputation from the Glasgow banks will be ready to wait upon you whenever you signify your pleasure to receive it.

It would be most desirable to have some Scotch Members on the Committee to be appointed to inquire into the banking and currency laws affecting Scotland, and I hope I am not presumptuous in mentioning the names of James Baird, Esq., Peter Blackburn, Esq., and Alexander Hastie, Esq., as gentlemen who would be likely to attend, and who understand, and would watch over our interests.

I have, &c.

The Right Hon.
Sir G. Cornewall Lewis, Bart.

(signed) *John Taylor*, Manager.

Letters from *John Taylor*, Manager Western Bank of Scotland, Glasgow, to the Right Honourable *William Ewart Gladstone*, &c., &c., &c., Chancellor of the Exchequer.

Western Bank of Scotland, Glasgow,
27 April 1854.

Sir,

Three millions of gold thrown at once into the Bank of England would inspire confidence, and materially aid your financial schemes.

So modify now (what must be done next year) the enactments of the Scotch and Irish Banking Act, as to enable us to hold "Government securities" (such as your "Exchequer bonds") for at least a certain portion of the specie which we are now compelled to hold for the excess of our issue over our "authorised amount" in 1845.

The Irish banks could spare two millions and the Scotch one million of specie without danger. It is possible that, with the fear of a "run for gold," which has happened in my own time in Ireland, the Irish banks might ask for some substitute of a "legal tender." That you must devise. In Scotland I do not think we have any such contingency to fear or to provide for.

The chief basis of the issue of the Bank of England is on "Government securities." In allowing the Scotch and Irish banks to do the same, you violate no principle, and while you would thus confer a boon on the banks, by giving them interest on a part of their capital now unprofitable, you would enable us to deal on more liberal terms with our customers, and also relieve the pressure on the public.

I do

I do not pretend that any of my suggestions are new. I entertained and expressed similar opinions many years ago. But the financial state of the Government, the position of the Bank of England, the altered circumstances in which we are placed by war, induce me to approach you, and to say, frankly, that as far as I know the public mind of the country, the views which I have faintly shadowed forth are generally entertained and approved.

I end, as perhaps I ought to have begun, with an apology and a preface; but your time is precious, and you are thoroughly acquainted with the whole bearings of the topics touched on. Pardon a hurried letter, but do not, if there is any virtue in the idea, fear to act, and to act at once.

I have, &c.
(signed) *John Taylor.*

Western Bank of Scotland, Glasgow,
8 May 1854.

Sir,

In compliance with your desire, conveyed through Mr. Wilbraham, under date of the 4th instant, I beg to submit the following views and opinions on the subject touched on in my letter to you of the 27th ult.

The circulation of the Scotch banks, under the Act of 1844-5, as authorised by certificate, is 3,087,209*l.*, an amount based on the average of a given preceding period, and on returns made by the Scotch banks at the end of each week, and after their bi-weekly exchange of notes had been made.

This fact alone affected the average (actual) circulation to the extent of 500,000 *l.* In other words, if the average had been taken on the maximum amount of notes in circulation before these exchanges, instead of on the minimum amount after, the amount authorised by certificate would have been probably about 3,600,000 *l.*

If revision on this point is important, how much more essential now in the year 1854 to revise the basis of the returns on which our "average circulation" is founded.

The extended commerce of the country, the enhanced cost of labour and materials, the multiplication of transactions—all requiring more expanded aids and representatives—emphatically demand a revision of the measure no longer applicable to their increased growth, and which, worse than the bed of Procrustes, would cut off both head and legs.

The average circulation of the Scotch banks, as published in the last "Gazette," that is, for the four weeks ended the 15th April 1854, was 3,834,098 *l.* Bear in mind that this amount also is founded on returns made after the weekly exchanges are completed, and, therefore, to arrive at a just conclusion of what the actual circulation of Scotland is, you must add the relative amount of notes retired at the two weekly exchanges, which cannot be less than 800,000 *l.*, therefore making the real circulation about 4,600,000 *l.*

Now, the specie held for the excess of the average circulation above the authorised issue did not require to be more for the period ending 15th ult. than the difference between - - - - - - - - - £. 3,834,098

Which was the average, and - - -		3,087,209
Which is the authorised		
	Or -	746,889
Whereas it actually was - - -		1,448,230
	Surplus, £.	701,341

beyond the requirements of the law.

You naturally ask why the prudent and economical Scotch banker does not calculate more closely and more profitably.

Remember the occasional great expansions of his circulation before the exchange days, and which he cannot always certainly know, will then be contracted. He is compelled, therefore, to keep an extra sum in specie to meet these contingencies. Again: The publication of his returns makes him amenable to public opinion, and the "reserve" which he shows affects his character and influences his standing.

Moreover, the law imposes a penalty for any violation of its enactments.

All these considerations will explain the apparent anomaly of such an excess of specie being held.

With these facts before you, permit me to refer to the letter which I took the liberty of addressing to you on the 27th ult.

I then had chiefly in view such a modification of the Act as would permit us to substitute "Government securities" for "specie," as a legal provision for our excess of actual over-authorised circulation.

In my plan I embraced both the Scotch and Irish banks. You ask my opinion only about the Scotch, and therefore I restrict my observations now to that point.

I have shown that the Scotch banks have at this moment nearly a million and a half of

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Western Bank of Scotland.

specie lying in their vaults useless and unprofitable for any ordinary or practical purpose. Gold is never required in Scotland. The people do not like it as a circulating medium. "Runs" for it are nearly unknown. Neither commercial panics nor political struggles are likely to affect the Scotch in this way. I think, therefore, you may safely legislate on the principle that if the banks in Scotland can show in their published returns that they hold valid Government stock for all or any portion of their excess of circulation, the remainder being made up of specie, the public will rest perfectly satisfied, and give you credit for your sagacity in remedying a palpable evil.

I said in my letter of the 27th ult., that the Scotch banks could spare one million of specie; assuming that the alteration in the law enabled us to convert four-fifths of our specie into Government securities, my calculation is within limit.

At this moment I hold 293,000 *l.* in gold and silver. I shall be delighted to convert a quarter of a million of that amount into your "Exchequer bonds" at par, and I can undertake to say for my Glasgow brethren that they will take at least an equal sum on the same terms. Here, then, in Glasgow alone, I undertake to subscribe for half a million of Exchequer bonds at par (100 *l.*), and if you give me the slightest encouragement to believe that such an alteration in our Banking Act will be effected, I think I may venture to assert that the Edinburgh and provincial banks of Scotland will follow our example, and eagerly take up at least an equal amount of these bonds.

Perhaps you may say that as such a modification of the law as enabled us to hold profitable for unprofitable securities was a great boon, we ought to propose better terms. It is true that it would be a great boon, but as a general marketable security I think it would not be wise that the securities given to the Scotch banks should be different from, or bear a less rate of interest than, those issued to the public generally.

One thing is pretty clear, should no expansion of the authorised circulation of the Scotch banks be permitted by a new law, and if the present amount is to be the maximum, the natural wants of the country will require at least one million extra for the present time, and for that sum the Scotch banks must, and would be, perpetual holders of your Exchequer bonds, thus preserving to that extent their value and equilibrium.

I do not say, however, that the Scotch banks may not conceive the boon you would thus bestow worthy of a price, and therefore be content to bargain with you for bonds or other securities bearing a lesser rate than three and a half per cent.

In fact, I cannot conceal from you that whatever rate we get on such legalised securities would be so much gain as compared with our existing condition.

But as we are not asking you to change the law of convertibility, and are willing to continue liable to pay our notes in gold, you will at once see that some margin is necessary, and some consideration due, for the contingencies which may arise, compelling us to realise our securities to procure gold at whatever sacrifices.

I consequently come to the conclusion before hinted at, that although a separate and special bargain, and separate and special bonds similar to that class of "Exchequer bills" used in settlement of our balances of exchange in Edinburgh, might be made and entered into with the Scotch banks, it would be better both for you and them to deal on the same general principle which you put before the public.

I offer my most respectful apology for the freedom with which I try to lay my ideas before you. I feel that I have not thoroughly developed my thoughts and opinions, and if you will be kind enough to signify your permission, I shall take leave again to address you; or, when your important duties afford you a little more leisure, if you will do me the honour to allow me to wait upon you in Downing-street, I think I could, more satisfactorily to myself at least, explain the views I entertain.

I have, &c.
(signed) *John Taylor.*

GLASGOW BANKS.

Glasgow Banks

Sir, Glasgow, 12 December 1855.

The long-continued demand for gold upon the Bank of England, and the consequent stringency in the money market, directs the attention of bankers and others to the subject.

You are no doubt aware that in consequence of an Act passed in the year 1845, intituled, "An Act to regulate the Issue of Bank Notes in Scotland," a certain authorised circulation was assigned to each joint-stock bank, and that any issue in excess of the amount named must be represented by an equal amount of specie. The excess of circulation by all the banks in Scotland is now upwards of one million, and by last Gazette return 1,951,027 *l.* in specie is in the coffers of the banks.

It is not our object at present to discuss the propriety of the enactment referred to, but simply to bring under your consideration a suggestion for relieving the pressure, which we think

think could be effected to a certain extent by adopting such measures as may be considered necessary to allow the banks to hold Government securities in lieu of gold, for the excess of circulation or for a certain portion of it, thereby enabling them to send to the Bank of England from Scotland alone upwards of one million in gold.

The inadequate authorised circulation for the altered state of the country is also worthy of consideration; but we purposely avoid entering at length upon the subject.

Should this communication meet with a favourable consideration a deputation, would be happy to wait on you to give any information and answer any inquiries that might be deemed necessary.

We have, &c.

(signed) For the Union Bank of Scotland,
Ja. Robertson, Manager.
For the Western Bank of Scotland
John Taylor, Manager.
For the City of Glasgow Bank,
Rob. Salmond, Manager.
For the Clydesdale Banking Company,
G. Readman, Manager.
For the Edinburgh and Glasgow Bank,
G. W. Snodgrass, Manager.

The Right Honourable
Sir George Cornewall Lewis, Bart.
&c. &c. &c.

CITY OF GLASGOW BANK.

Sir, Glasgow, 19 February 1857.

I HAVE the honour to acknowledge the receipt of your letter of the 9th instant, requesting to have the opinion of this bank with regard to the working of the Act of 1845, regulating the issue of bank notes in Scotland, and whether if any of its provisions seem objectionable, or defective, we will suggest to you those amendments of which we consider it susceptible; and in reply, we may state in regard to the Act that it is unequal in its operations as regards the banks themselves, and that it is felt to be objectionable in regard to the abstraction, and consequent waste, which it occasions for the time being of the capital of the country, in the unnecessary amount of gold which is locked up unproductive in the cellars of the Scotch banks.

Gold hitherto has never been in active circulation in Scotland, nor is it locally required, the people having thorough confidence in the banks, and preferring their notes, convertible at pleasure, to any other exchangeable equivalent; nor is gold wanted for exchange purposes, or transmission to other countries direct from Scotland; simply because the ultimate clearances which have to be discharged in that respect centre in London, and can be effected there only, when required for it in common with the other parts of the empire, from the resources of the Scotch banks lying resting in the hands of the London agents or correspondents for that purpose.

In proof of gold being little required in Scotland prior to the passing of the Act, the casual supply of it coming into the country by travellers, and at the Scotch markets, or fairs, greatly exceeded its wants; and the result therefore was, that from time to time it was transmitted by the different banks, either to London or to some of the English correspondents in Newcastle, Liverpool, or Manchester, according to convenience.

The mode or principle on which the average of the Scotch circulation was collected and struck in 1845, on the monthly returns of the Scotch banks in the year preceding, viz., 1844, and a certificate passed to each of them respectively thereon of the mean amount of notes which each bank was to be at liberty to issue, was not in accordance with the actual state of the circulation in 1844, from the Scotch banks having made their minimum returns only or immediately after having retired their notes at the bi-weekly exchange, instituted for the clearance and settlement of their notes; the maximum amount of their circulation was thus greatly in excess of what was returned, and the average, or certificate, then given was therefore totally inadequate for their wants, or their practice, even in 1845, when the Bill was passed, and much more so subsequently, from the extraordinary progress and expansion in trade, and production generally, with a great increase in the market value of all commodities as compared with the years immediately preceding the year 1844, and that year itself, on the returns of which the Act, 1845, was passed; hence the much larger measure of currency that is now required and must be had to carry over and clear the trading and domestic operations of the country; and, further, several of the issuing banks at the period of the passing of the Act were then but recently in operation, and in an unformed or undeveloped state, as compared with the older banks, and therefore were restricted to an amount of issue far below what the extent of business now requires.

What we would therefore take the liberty to suggest, in emendation of the Act, 1845, would be to give the banks a new average, and extend their authorised circulation, based on the currency of the country as it now stands, and any excess beyond that to be issued in gold or Government securities.

I have, &c.

The Right Hon.
Sir G. Cornewall Lewis, Bart.

(signed) *Rob. Salmond*, Manager.

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Appendix, No. 42.

THE following STATEMENT is submitted to the Chancellor of the Exchequer by the Governors and Directors of the Bank of Ireland, relating to the several matters brought under his notice by the Deputation at their interview with him in London, on the 28th ult., on the subject of the renewal of the Bank Charter.

First. With reference to the restriction against lending money on mortgage, as created by the 7th section of the Act 21 & 22 Geo. 3, c. 16, under which the Bank of Ireland was established,—It is submitted that the Bank at that time (1782) was the only chartered or public Bank in Ireland, and being established for the purpose of promoting public credit, and assisting the trade and commerce of the country, it was desirable that its capital, then but 600,000 *l.*, should not be locked up in mortgages of land.

The capital of the Bank of Ireland now amounts under successive enactments to no less than 3,000,000 *l.* Irish, exclusive of the rest, or reserved fund, which exceeds 1,000,000 *l.* more.

Since the period referred to, the mode of conducting the mercantile and banking business, as also the landed interest and state of Ireland generally, have undergone important changes, and are now altogether different from what they were in 1782. For instance, amongst other changes, Joint Stock Banks have been established, and there are now several in Ireland which, as well as private banks, are wholly uncontrolled in their power to lend and advance on real security, while the Bank of Ireland is the only bank restricted in this respect. This clause, therefore, originally intended to promote the mercantile interest, is now found to operate injuriously, and thus the merchant and manufacturer, and landed proprietor, who may have abundant real security to offer, are deprived of the accommodation which otherwise the Governors and Directors would gladly afford, and they submit that the discretion which the law allows to all other banks may, with safety and advantage to the public, be extended to them, or that such a relaxation of the Act might be conceded to them as would allow of their advancing a certain amount, in the discretion of Government to fix upon, upon mortgage of real property.

It may be further stated, that in the late years of monetary pressure, 1847–8, this restriction was found extremely injurious, both to the mercantile and to the landed interests, and the Irish Government at that time having made inquiries on the subject, it was found that the clause in question at once prevented the Bank of Ireland from relieving the pressure which then bore so heavily on the country.

The Governors and Directors would, in furtherance of their views on this subject, call the attention of the Chancellor of the Exchequer to the specific case of Drainage Debentures issued by the Board of Works, as illustrating some of the difficulties of which they complain.

These Debentures being secured and charged on land, are held to come within the restriction of the Act alluded to, and the bank are unable to make advances on them, although issued under the authority of the special Act of Parliament, and possessing a security of the highest description.

The next question brought under the notice of the Chancellor of the Exchequer had reference to "the issue and reissue of their notes and bills by Banks of Issue," with reference to which the Bank of Ireland, in common with all the other banks, are subject to very great inconvenience in consequence of the Act 9 Geo. 4, c. 81, by which all banks are prohibited from "issuing or reissuing their promissory notes or bills at any place where they shall have a resident agent, or house of business, unless the same shall be made payable at the places where they shall be issued or reissued, and in every such note the place where the same shall be issued or reissued, shall be expressly mentioned under a penalty of double the amount so issued or reissued." The object of this enactment was to facilitate the holders of notes in obtaining gold, but it entails upon the banks very great expense as well as considerable labour and no small amount of risk, inasmuch as, in order to comply with the Act, they are obliged to return all notes, no matter where paid, to the particular offices at which they have been dated and issued, either in large parcels by special messengers, or cut in half for better security, before they can reissue or put them again into circulation.

The Bank of Ireland, and it is believed all the other Banks of Issue, are in the habit of paying their notes in gold at any of their branches wherever demanded, without any reference whatever to the places where they are issued, so that, in fact, every possible facility is given to the public, and far more than the banks are bound by law to afford. With a view to remedy the inconvenience felt by this enactment, it is submitted that Banks of Issue having paid or retired their notes at any of their branches other than those where they are by law bound to retire them, should have liberty to reissue such notes at whatever office they may have been paid.

Lastly, the Governors and Directors submit for the consideration of the Chancellor of the Exchequer the necessity for some alteration in the law for the protection of the bank against fraud in dealing with corporations who act under seal. By the recent decision in the House of Lords, in the case of "The Trustees of Evans's Charities against the Bank of Ireland," it was held that the bank was bound to replace the sum of 9,300 *l.* Government stock belonging to the trustees, together with a large amount of dividend. The trustees had entrusted the care of their seal to their agent or secretary, who, without any authority from them, affixed it to a power of attorney for a transfer of the stock in presence of two witnesses, by which means

means he transferred and got possession of the fund, but inasmuch as the trustees had not authorised him to use the seal for this purpose, it was held to be a forgery and the bank was considered liable. In such a case it is submitted that the bank should be exonerated, and that the corporation shall bear the loss that shall be occasioned by their negligence and want of proper care in the custody of their seal. Appendix, No. 42.

The Governors and Directors submit that the renewal of the Bank Charter being now under consideration, an opportunity is afforded for an alteration or amendment of the law in regard to the several matters herein referred, and they will be prepared to supply such further information on the subject as the Chancellor of the Exchequer may require.

Appendix, No. 43.

Appendix, No. 43.

THE following STATEMENT is submitted to the Chancellor of the Exchequer by the undermentioned unincorporated Banks or Banking Companies in Scotland, viz.:— The Union Bank of Scotland; the Western Bank of Scotland; the Clydesdale Banking Company; the Edinburgh and Glasgow Bank; the City of Glasgow Bank; in order that the same may be laid before the Committee now sitting on the subject of the Bank Acts of 1844 and 1846.

THEY beg to represent the very serious disadvantages which, from not being incorporated, they are, by the Act of 1844, extended to Scotland in 1846, made to lie under in comparison with other Scotch Banks which had obtained charters of incorporation before the passing of these Acts; and from not being allowed to obtain incorporation, except by subjecting themselves to disabilities from which those other banks are exempt.

Previous to the passing of the Acts referred to, there were five Scottish banks incorporated. At that period, the amount of moneys required by public or private Acts of Parliament to be deposited in bank was comparatively insignificant; but it has recently been much increased under the operation of Drainage and Railway Acts, and especially of the Pupils' Protection Act, which has a very extensive application, and all of which Acts require that moneys having to be placed in bank shall be so placed in one that is incorporated. Thus an invidious distinction is created between the incorporated and unincorporated banks, although the one are not entitled to assume superiority over the other, whether as respects capital, credit, or respectability. Indeed, the injustice of the distinction has been tacitly acknowledged by Government, inasmuch as the Lord Advocate, in all recent Bills affecting Scotland, has permitted trust and other moneys to be deposited in any Joint Stock Bank of Issue, whether incorporated or unincorporated. At present, too, the unincorporated banks cannot take or hold securities as a firm or copartnery, but only in the name of trustees for their behoof; and as those trustees are constantly changing, much inconvenience as well as risk and expense are incurred in keeping the securities available.

The unincorporated banks would naturally seek to remedy these evils by applying for charters of incorporation; but in doing so, they are met by regulations which do not affect the banks that were incorporated before the passing of the above-mentioned Acts, and which, if submitted to by the former, would place them at a disadvantage as compared with their more fortunate neighbours.

The sixth clause of section 4, Act 7 & 8 Vict. c. 113, provides for the publication of the assets and liabilities of the company once a month. Could such publication be regarded as affording any true index to the state of a bank's affairs, there might be little objection to the requirement, provided the rule were made applicable to all banks alike; but the five chartered banks being exempt from it, publication by the others on obtaining charters would tend to lower them in status relatively to the former, and might possibly lead to more serious consequences. Such publication, however, affords no protection either to the public or shareholders, as is amply illustrated in the case of the Royal British Bank.

That there are no circumstances in their relative position warranting such distinction will be sufficiently evident on adverting to the present state of the banking establishments in Scotland, as exhibited in the Appendix to this statement, from which it appears, (1.) That the five chartered banks possess collectively a paid-up capital of 5,600,000 *l.*, while that of the five unchartered banks is 5,307,000 *l.* (2.) That the chartered banks have, or had lately, an aggregate of 4,343 partners or shareholders, while the unchartered numbered at the same period 6,472 partners. (3.) That the chartered banks have 228 branches in various parts of Scotland, and the unchartered have 304. (4.) That the chartered banks have an authorised circulation of 1,593,413 *l.*, and the unchartered have an authorised circulation of 1,067,234 *l.*, while their actual circulation bears a much higher proportion, the latest returns (those of 11 April 1857) being,

Chartered Banks - - - - - - -	£. 1,765,784
Unchartered Banks - - - - - - -	1,530,080

This statement does not represent the other seven Unincorporated Scotch Banks, partly because the capital of these companies, as well as their operations, are on a less extensive scale, and because, lying more remote from the centres of business, they feel less sensibly the hardship complained of. In so far, however, as they are exposed to competition with the chartered banks, their grievance is the same.

Appendix No. 43.

It may also be noticed, that the five unchartered banks submitting this statement are principally Glasgow banks, while all the chartered banks have their head offices in Edinburgh; and it cannot but be deemed a hardship that the banking establishments of a city which now ranks second only to London in commercial importance should be denied equal privileges with those of Edinburgh, or at least that they should (in favour of the latter) be deprived by statute of rights which they originally possessed; for such is the result when deposits are compulsorily taken from them to be placed in any of the chartered banks or their branches. This consequence of the enactments complained of they now experience almost daily, and to a rapidly increasing extent; large sums, as well as important operative accounts, being continually withdrawn from them to be taken to a chartered bank, and often under circumstances most harassing and inconvenient to the parties who are compelled so to act.

In conclusion, it is humbly submitted that the present time affords a favourable opportunity for abolishing the objectionable enactments, and for introducing a measure which, while giving the public perfect safety, would place the banks in Scotland all upon the same level, and so cease to create distinctions which are unjustified by the positions of the respective establishments.

For the Union Bank of Scotland,
Ja. Robertson, Manager.

For the Western Bank of Scotland,
John Taylor, Manager.

For the Clydesdale Banking Company,
Geo. Readman, Manager.

For the Edinburgh and Glasgow Bank,
G. W. Snodgrass, Manager.

For City of Glasgow Bank,
Rob. Salmond, Manager.

APPENDIX referred to in the foregoing Statement.

NAME.	Date of Establishment.	Amount of Capital Paid up.	Amount of Share Paid up.	Number of Partners.	Number of Branches.	Authorised Circulation.	Actual Circulation April 1857.
		£.	£.			£.	£.
1. Bank of Scotland	1695	1,000,000	100	645	35	300,485	368,920
2. Royal Bank of Scotland	1727	2,000,000	100	958	35	183,000	234,127
3. British Linen Company	1746	1,000,000	100	630	48	438,024	436,579
4. Commercial Bank of Scotland	1810	600,000	100	657	61	374,880	422,561
5. National Bank of Scotland	1825	1,000,000	10	1,453	49	297,024	303,597
	£.	5,600,000	- -	4,343	228	1,593,413	1,765,784
6. Union Bank of Scotland (comprehending seven others, all of much older date; one of them established in 1695)	1830	1,000,000	50	930	73	415,690	509,335
7. Western Bank of Scotland (comprehending four others of older date)	1832	1,500,000	50	1,280	98	337,938	435,440
8. Edinburgh and Glasgow Bank (comprehending two others)	1838	1,000,000	5	1,575	23	136,657	148,831
9. Clydesdale Banking Company	1838	807,000	10	1,381	13	104,028	145,635
10. City of Glasgow Bank	1839	1,000,000	10	1,306	97	72,921	290,839
	£.	5,307,000	- -	6,472	304	1,067,234	1,530,080
11. Aberdeen Town and County Bank 12. North of Scotland Bank 13. Dundee Banking Company 14. Eastern Bank of Scotland 15. Caledonian Banking Company 16. Perth Banking Company 17. Central Bank of Scotland	1763—1838	1,099,795	- -	3,872	84	426,562	536,721
	£.	12,006,795	- -	14,687	616	3,087,209	3,832,585

Appendix, No. 44.

MEMORIAL of the Bankers of *Cumberland, Westmoreland,* and *Lancashire,* praying to be put on the same footing as Scotch and Irish Banks with regard to the Issue of Notes. Appendix, No. 44.

To the Right Honourable Sir *George Cornewall Lewis,* Bart., Chancellor of Her Majesty's Exchequer.

Right Honourable Sir,

We, the undersigned bankers, issuing our own notes under the provisions of the Act of Parliament 7 & 8 Vict. c. 32, in the counties of Cumberland, Westmorland, and Lancaster, without venturing to offer any opinion as to the general principles of the Act, respectfully beg to call your attention to certain provisions contained therein, which in practice work with greater stringency than we believe it was intended they should by the original framers of the Act.

We beg to call your attention to clauses 13, 17, 18, and 19, which provide that the average of our circulations, taken for each succeeding period of four weeks, shall not exceed certain fixed limits. We beg respectfully to represent that in consequence of the shortness of the time permitted us by these clauses for taking the average, we are unable to avail ourselves of our circulations to the full extent granted us by law, by amounts varying from 5 to 10 per cent. of our circulation, according to circumstances. At certain seasons of the year there are temporary demands for increased local circulation arising from fairs and other causes; we cannot at these times extend our circulations for fear of being unable to contract them, so as to reduce the average within the limit in the short time allowed for that purpose, and are therefore compelled to substitute gold and Bank of England notes, to the no small annoyance of our customers, gold being an inconvenient medium of exchange for large amounts, and Bank of England notes not being freely taken in remote country districts. When the temporary demand ceases, a further effect of this unnatural restriction is felt by us; our circulations contract, and we are unable to restore them to their natural limit until another period of activity commences.

We beg respectfully to represent, that if the time permitted us for taking the averages of our circulations were extended from one month to six months, and the year divided into two periods of six months each, we should then be able to avail ourselves of our circulations to very nearly the full extent permitted us by law, and to facilitate the transaction of business to our customers, and the public generally.

We believe that bankers throughout the country would look upon this change with great satisfaction, and, as it would not in any way infringe upon the principle of the Act of Parliament above referred to, we beg respectfully to suggest that this change should be embodied in the Bill to be brought before the House of Commons during the present Session.

We would further respectfully represent that by the Scotch and Irish Banking Acts of 1845, 8 & 9 Vict. c. 37 & 38, which are complements to the English Act of 1844, the Scotch and Irish banks are allowed to issue beyond their fixed limits a sum equal to the amount of gold and silver held by them respectively, in accordance with the principle which regulates the Issue Department of the Bank of England.

We would, therefore, further respectfully suggest that we should be put upon the same footing as the Scotch and Irish banks in this respect, and thus be enabled to meet with greater regularity and certainty the legitimate business wants of our respective districts than we are able to do at present, and to obviate the difficulties and inconveniences under which we at present labour. As this would be in entire accordance with the principles of the legislative measures of 1844 and 1845, we trust that Parliament will see no difficulty in granting the concession.

Signed this 1st day of May, in the year of our Lord 1857.

Wakefield, Crewdson & Co., Kendal.
John Parkin, Manager of the Bank of Westmorland, Kendal.
The Lancaster Banking Company, per *Wm. Jackson,* Chairman, Lancaster.
The Cumberland Union Banking Company, per *Thomas Westray,* Chairman, Workington.
The Whitehaven Joint Stock Banking Company, per *Richard Armitstead,* Chairman, Whitehaven.
Stanley Dodgson, Manager of the Bank of Whitehaven, Whitehaven.
Benjamin Ward, Manager of the Carlisle and Cumberland Bank, Carlisle.
Alex. Davidson, Manager of the Carlisle City and District Bank, Carlisle.
Charles Birkbeck & Co., Bankers, Settle, &c.

Appendix, No. 44. MEMORIAL of the HUDDERSFIELD BANKING COMPANY and the WEST RIDING UNION BANK, praying to be placed on the same footing as Scotch and Irish Banks, as regards the ISSUE of NOTES.

To the Right Honourable Sir *George Cornewall Lewis*, Bart., Chancellor of Her Majesty's Exchequer.

WE, the undersigned bankers, issuing our own notes under the provisions of the Act of Parliament 7 & 8 Vict. c. 32, in the county of York, without venturing to offer any opinion as to the general principles of the Act, respectfully beg to call your attention to certain provisions contained therein, which in practice work with greater stringency than we believe it was intended they should by the original framers of the Act.

We beg to call your attention to clauses 13, 17, 18 and 19, which provide that the averages of our circulations, taken for each succeeding period of four weeks, shall not exceed certain fixed limits.

We beg respectfully to represent, that in consequence of the shortness of the time permitted us by these clauses for taking the averages, we are unable to avail ourselves of our circulations to the full extent granted us by law, by amounts varying from 5 to 10 per cent. of our circulations, according to circumstances.

At certain seasons of the year there are temporary demands for increased local circulation, arising from fairs, and other causes. We cannot at these times extend our circulations, for fear of being unable to contract them, so as to reduce the average within the limit in the short time allowed for that purpose, and are therefore compelled to substitute gold and Bank of England notes, to the no small annoyance of our customers, gold being an inconvenient medium of exchange for large amounts, and Bank of England notes not being freely taken in remote country districts.

When this temporary demand ceases, a further effect of this unnatural restriction is felt by us. Our circulations contract, and we are unable to restore them to their natural limit until another period of activity commences.

We beg respectfully to represent, that if the time permitted us for taking the averages of our circulations were extended from one month to six months, and the year divided into two periods of six months each, we should then be able to avail ourselves of our circulations to very nearly the full extent permitted us by law, and to facilitate the transaction of business to our customers and the public generally. We believe that bankers throughout the country would look upon this change with great satisfaction; and as it would not in any way infringe upon the principle of the Act of Parliament above referred to, we beg respectfully to suggest that this change should be embodied in the Bill to be brought before the House of Commons during the present Session.

We would further respectfully represent, that by the Scotch and Irish Banking Acts of 1845, 8 & 9 Vict. c. 37 and 38, which are complements to the English Act of 1844, the Scotch and Irish banks are allowed to issue beyond their fixed limits a sum equal to the amount of gold and silver held by them respectively, in accordance with the principle which regulates the Issue Department of the Bank of England.

We therefore respectfully suggest that we should be put upon the same footing as the Scotch and Irish banks in this respect, and thus be enabled to meet with greater regularity and certainty the legitimate business wants of our respective districts than we are able to do at present, and to obviate the difficulties and inconveniences under which we at present labour. As this would be in entire accordance with the principles of the legislative measures of 1844 and 1845, we trust that Parliament will see no difficulty in granting the concession.

The Huddersfield Banking Company,
Per *D. Marsden*, Manager.

The West Riding Union Banking Company, Huddersfield,
Per *John Kaye*, Chairman.

MEMORIAL of SHEFFIELD BANKING COMPANIES praying to be put on the same footing as Scotch and Irish Banks, with regard to the ISSUE of NOTES.

To the Right Honourable Sir *George Cornewall Lewis*, Baronet, Chancellor of Her Majesty's Exchequer.

WE, the undersigned bankers, issuing our own notes under the provisions of the Act of Parliament 7 & 8 Vict. c. 32, in the counties of York and Derby, without venturing to offer any opinion as to the general principles of the Act, respectfully beg to call your attention to certain provisions contained therein, which in practice work with greater stringency than we believe it was intended they should by the original framers of the Act.

We

We beg to call your attention to clauses 13, 17, 18, and 19, which provide that the averages of our circulations taken for each succeeding period of four weeks, shall not exceed certain fixed limits.

We beg respectfully to represent, that, in consequence of the shortness of the time permitted to issuing bankers by these clauses for taking the averages, they are unable to avail themselves of their circulations to the full extent granted by law.

At certain seasons of the year there are temporary demands for increased local circulation arising from fairs, from the accumulation of notes in the hands of tenants for some time previous to their rent days, and other causes. Bankers cannot at these times extend their circulations, for fear of being unable to contract their issues, so as to reduce the average within the limit in the short time allowed for that purpose, and are therefore compelled to substitute gold and Bank of England notes, to the no small annoyance of their customers, gold being an inconvenient medium of exchange for large amounts, and Bank of England notes not being freely taken in country districts from a greater apprehension of forgery than exists with the well known local issues.

When this temporary demand ceases, a further effect of this unnatural restriction is felt by the issuing bankers. Their circulations contract, and they are unable to restore them to their natural limit until another period of activity commences.

We beg respectfully to represent, that if the time permitted to bankers for taking the averages of their circulations were extended from one month to six months, and the year divided into two periods of six months each, they would then be able to avail themselves of their circulations to very nearly the full extent permitted them by law, and to facilitate the transaction of business to their customers and the public generally. We believe that bankers throughout the country would look upon this change with great satisfaction, and as it would not in any way infringe upon the principle of the Act of Parliament above referred to, we beg respectfully to suggest that this change should be embodied in the Bill to be brought before the House of Commons during the present Session.

We would further respectfully represent, that by the Scotch and Irish Banking Act of 1844, the Scotch and Irish banks are allowed to issue beyond their fixed limits, a sum equal to the amount of gold and silver held by them respectively, in accordance with the principle which regulates the issue department of the Bank of England.

We therefore respectfully suggest that we should be put upon the same footing as the Scotch and Irish banks in this respect, and thus be enabled to meet with greater regularity and certainty the legitimate business wants of our respective districts, than we are able to do at present, and to obviate the difficulties and inconveniences under which we at present labour. As this would be in entire accordance with the principles of the legislative measures of 1844 and 1845, we trust that Parliament will see no difficulty in granting the concession.

For the Sheffield and Rotheram Banking Company,
W. Brown, Manager.

For the Sheffield and Hallamshire Bank,
Wm. Waterfall, Manager.

For the Sheffield Banking Company,
J. Barber, Manager.

MEMORIAL of the GLOUCESTERSHIRE BANKING COMPANY.

To the Right Honourable Sir *George Cornewall Lewis*, Bart., Chancellor of Her Majesty's Exchequer.

The MEMORIAL of the Gloucestershire Banking Company, carrying on the business of Bankers at Gloucester, Cheltenham, Tewkesbury, Stroud, Newnham, Cirencester, Stow-on-the-Wold, Moreton-in-the-Marsh, and Evesham, and issuing their own Notes under the provisions of the Act of 7 & 8 Vict. c. 32.

Showeth,

THAT their circulation of notes is limited by the said Act to 155,920 *l.*

That experience has proved that this amount is insufficient to the wants of the district.

That frequently, and especially at the customary periods of payment of rents and taxes, and of fairs and large markets, your memorialists are obliged to use gold and silver for large amounts, over and above the limited issue of their own notes, always at great inconvenience and loss to themselves, and generally objected to by their customers.

That this loss and inconvenience are greatly increased by the practice of taking the average circulation monthly; this practice obliging them to keep an unnecessary amount as a margin to provide against the possibility of exceeding their limit, and preventing them from availing themselves at any time of the full and specified limit.

The convenience of the public is affected by the necessity of contracting the circulation of the district at periods when it most requires expansion, and they cannot, without delay and loss, restore the equilibrium.

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Already the provincial circulation has been reduced by the operation of the Act, under the provisions in respect of banks of issue becoming extinct, to the extent of 821,978 *l.*, and any unnecessary contraction of circulation by the banks of issue now remaining, is therefore felt by the public in an increased degree.

Your memorialists therefore respectfully submit that it would be no infringement of the principle of the Act, yet of great benefit to them and their customers, to take the averages half-yearly instead of monthly, and they pray that they may be permitted to do so.

They also submit that, in accordance with the principle regulating the issue department of the Bank of England, and with the permission already granted to the Scotch and Irish Banks, they should be allowed to issue notes beyond their specified limit for a sum equal to the gold and silver held by them.

Signed, on behalf of the Gloucestershire Banking Company,

Samuel Baker, Chairman.

Gloucester, 5 June 1857.

MEMORIAL of Bankers in the County of *Derby*.

To the Right Honourable Sir *George Cornewall Lewis*, Bart., Chancellor of Her Majesty's Exchequer.

We, the undersigned bankers, issuing our own notes under the provisions of the Act of Parliament 7 & 8 Vict., c. 32, in the county of Derby, without venturing to offer any opinion as to the general principles of the Act, respectfully beg to call your attention to certain provisions contained therein, which in practice work with greater stringency than we believe it was intended they should by the original framers of the Act.

We beg to call your attention to clauses 13, 17, 18, and 19, which provide that the averages of our circulations, taken for each succeeding period of four weeks, shall not exceed certain fixed limits.

We beg respectfully to represent that, in consequence of the shortness of the time permitted us by these clauses for taking the averages, we are unable to avail ourselves of our circulations to the full extent granted us by law, by amounts varying from 5 to 10 per cent. of our circulations, according to circumstances.

At certain seasons of the year there are temporary demands for increased local circulation, arising from fairs and other causes. We cannot at these times extend our circulations, for fear of being unable to contract them so as to reduce the average within the limit in the short time allowed for that purpose, and are therefore compelled to substitute gold and Bank of England notes, to the no small annoyance of our customers, gold being an inconvenient medium of exchange for large amounts, and Bank of England notes not being freely taken in remote country districts.

When this temporary demand ceases, a further effect of this unnatural restriction is felt by us: our circulations contract, and we are unable to restore them to their natural limit until another period of activity commences.

We beg respectfully to represent, that if the time permitted us for taking the averages of our circulations were extended from one month to six months, and the year divided into two periods of six months each, we should then be able to avail ourselves of our circulations to very nearly the full extent permitted us by law, and to facilitate the transaction of business to our customers and the public generally. We believe that bankers throughout the country would look upon this change with great satisfaction; and as it would not in any way infringe upon the principle of the Act of Parliament above referred to, we beg respectfully to suggest that this change should be embodied in the Bill to be brought before the House of Commons during the present Session.

Crompton, Newton & Co.
Pro *Samuel Smith & Co.*
Ed. Calvert, Chief Cashier to the Firm.

W. & S. Evans & Co.

Wm. Baker, Chairman,
Derby and Derbyshire Banking Company.

MEMORIAL

MEMORIAL of Bankers in the Counties of *Bedford, Hertford, Buckingham,* and *Essex.*

To the Right Honourable Sir *George Cornewall Lewis,* Bart., Chancellor of Her Majesty's Exchequer.

We, the undersigned bankers, issuing our own notes under the provisions of the Act of Parliament 7 & 8 Vict. c. 32, in the counties of Bedfordshire, Hertfordshire, Buckinghamshire, and Essex, without venturing to offer any opinion as to the general principles of the Act, respectfully beg to call your attention to certain provisions contained therein, which in practice work with greater stringency than we believe it was intended they should by the original framers of the Act.

We beg to call your attention to clauses 13, 17, 18, and 19, which provide that the averages of our circulations, taken for each succeeding period of four weeks, shall not exceed certain fixed limits.

We beg respectfully to represent, that, in consequence of the shortness of the time permitted us by these clauses for taking the averages, we are unable to avail ourselves of our circulations to the full extent granted us by law, by amounts varying from 5 to 10 per cent. of our circulations, according to circumstances.

At certain seasons of the year there are temporary demands for increased local circulation, arising from fairs and other causes. We cannot at these times extend our circulations, for fear of being unable to contract them, so as to reduce the average within the limit in the short time allowed for that purpose, and are therefore compelled to substitute gold and Bank of England notes, to the no small annoyance of our customers, gold being an inconvenient medium of exchange for large amounts, and Bank of England notes not being freely taken in country districts. When this temporary demand ceases, a further effect of this unnatural restriction is felt by us: our circulations contract, and we are unable to restore them to their natural limit until another period of activity commences.

We beg respectfully to represent, that if the time permitted us for taking the averages of our circulations were extended from one month to six months, and the year divided into two periods of six months each, we should then be able to avail ourselves of our circulations to very nearly the full extent permitted us by law, and to facilitate the transaction of business to our customers and the public generally. We believe that bankers throughout the country would look upon this change with great satisfaction; and as it would not in any way infringe upon the principle of the Act of Parliament above referred to, we beg respectfully to suggest that this change should be embodied in the Bill to be brought before the House of Commons during the present Session.

We would further respectfully represent that, by the Scotch and Irish Banking Acts of 1845, 8 & 9 Vict. c. 37 and 38, which are complements to the English Act of 1844, the Scotch and Irish banks are allowed to issue, beyond their fixed limits, a sum equal to the amount of gold and silver held by them respectively, in accordance with the principle which regulates the issue department of the Bank of England.

We therefore respectfully suggest that we should be put upon the same footing as the Scotch and Irish banks in this respect, and thus be enabled to meet with greater regularity and certainty the legitimate business wants of our respective districts than we are able to do at present, and to obviate the difficulties and inconveniences under which we at present labour. As this would be in entire accordance with the principles of the legislative measures of 1844 and 1845, we trust that Parliament will see no difficulty in granting the concession.

(signed) *Thos. Barnard & Sons,* Bankers, Bedford.
Sharples, Tuke, Lucas & Co., Bankers, Hitchin, &c.
Wells, Hogge & Lindsell, Bankers, Biggleswade, &c.
J. G. Fordham & Sons, Bankers, Royston.
Bassett, Son & Harris, Bankers, Leighton Buzzard, &c.

PETITION of the Chamber of Commerce, *Edinburgh.*

The humble Petition of the Chamber of Commerce and Manufactures of the City of *Edinburgh,* incorporated by Royal Charter,

Showeth,

That by an Act passed in the year 1844 to regulate the issue of Bank Notes, it was enacted that securities to the value of fourteen million pounds should be set apart by the issue department of the Bank of England, and that thereafter there should be delivered to the banking department an amount of Bank of England Notes equal to the aggregate amount of the securities, coin, and bullion possessed by the issue department.

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That since the passing of the aforesaid Act, the population of the country and its domestic and foreign trade have very largely increased, and that the amount of Bank Notes sufficient for the requirements of the increased population and commerce is likewise necessarily greater.

That in Scotland, in which any increase in the issue of notes since 1845 is only permitted under regulations which take from the banks of issue every temptation to over-issue, the actual circulation has gone on increasing as the population and trade of the country have increased, until it is now one-third greater than it was in 1845, when the Act regulating the issues of the Scotch banks was passed by the Legislature.

That the census returns show that the population of England has been increasing faster than that of Scotland, and that there is every reason to believe that its progress in trade has been proportionally as great.

That on several occasions lately the reserve of notes in the banking department of the Bank of England has been reduced so low as to induce merchants to apply for banking assistance which they did not at the time require, lest they might be unable to obtain it at a subsequent period; thus materially aggravating mercantile pressure, and producing rapid fluctuations in the value of money.

That your petitioners would therefore respectfully recommend that the Bank of England should be authorised to issue upon securities additional notes to the value of four million pounds, or such other sum as may appear necessary for the requirements of the country.

May it therefore please your Honourable House to take the premises into consideration, and to authorise such an increase to the note-issue of the Bank of England as in your wisdom shall seem meet.

And your Petitioners shall ever pray.

Signed, in name and by appointment of the Chamber, and seal affixed, this 26th day of February 1857.

Geo. E. Russell, Chairman.

PETITION of Bankers in the South of *England.*

The humble Petition of the undersigned Bankers, resident and carrying on Business in the South of *England.*

That your petitioners are bankers carrying on their business in different parts of the south of England.

That your petitioners have relinquished issuing their own notes, and adopted the circulation of the Bank of England, receiving the compensation allowed by the Bank Charter Act, 1844.

That the arrangement entered into by your petitioners for issuing Bank of England Notes instead of their own, having been, in furtherance of the views and intentions entertained by Parliament at the period of the passing of the Bank Charter Act, 1844, was understood by your petitioners as intended to be continued so long as the issuing bankers retained the privilege of circulating their own notes.

That the compensation of 1 *l.* per centum per annum, on the average amount of the circulation of your petitioners, and bankers similarly circumstanced, was not and is not more than a reasonable and proper allowance for the surrender of the privilege of issuing their own notes; and, unless such compensation be continued while bankers are permitted to use their own notes, your petitioners will be injured by having assisted in furthering the principle upon which the Bank Charter Act of 1844 was based, and the views of the Government of that period.

Your petitioners, therefore, humbly pray, that, in the event of bankers being allowed to continue to issue their own notes, the present compensation to bankers adopting the issue of the Bank of England in lieu of their own notes may also be continued; and that, in any Act to be passed affecting the privileges of the Bank of England as to the issue of notes, or the objects contemplated by the Bank Charter Act, 1844, such compensation may be provided for.

And your Petitioners will ever pray, &c.

Grant, Gillman & Long.
Erasmus Jackson, for South Hants Bank.
Gunner & Co.
&c. &c. &c.

PETITION of the Chamber of Commerce, *Leeds.*

To the Honourable the Commons of the United Kingdom of *Great Britain* and *Ireland,* in Parliament assembled.

The humble Petition of the *Leeds* Chamber of Commerce,

Showeth,

That your petitioners, being members of a commercial body, are greatly interested in whatever may tend to promote the well-being of trade, and are especially anxious that the basis thereof, the monetary system, should be placed and maintained in a firm and honourable position.

That your petitioners view with great satisfaction, that a Select Committee has been appointed by your Honourable House, to sit for the purpose of inquiring into the operation of the Banking Act of 1844 for England, and also into the operation of the Banking Acts for Ireland and Scotland, passed in 1845.

That your petitioners, regarding the question of the currency as a question of vital importance to the interests of the nation, and recognising the imperative necessity that all laws which are intended to regulate the value of the metallic currency and the circulation of Bank Notes, should be framed on wise and equitable principles, so that all classes of the population of this kingdom may alike experience in their dealings with one another, the salutary effects thereof, no opportunity being afforded in the operation of such laws for any persons to secure unjust gain, to the injury of their fellow-subjects, humbly urge your Honourable House to adopt such measures as may cause the inquiry about to be made, to be of the most searching and impartial character.

Your petitioners therefore humbly pray, that only such Members of your Honourable House may be appointed to sit on the Committee for inquiring into the operation of the Banking Act of 1844 for England, and also into the operation of the Banking Acts for Ireland and Scotland, passed in 1845, that are known to be strictly independent in their views, and unbiassed by particular interests as regards the currency, so that a full, fair, and impartial investigation of the operation of the above Acts may be ensured.

And your petitioners will ever pray.

Signed on behalf of the Council of the Leeds Chamber of Commerce,

Darnton Lupton,
Vice-President.

PETITION of Bankers and Managers of Joint Stock Banks in the County of *Kent.*

The humble Petition of the undersigned Bankers and Managers of Joint Stock Banks carrying on business in the county of *Kent,* and issuers of their own Notes,

Showeth,

That, under the Act passed in the seventh and eighth years of the reign of her present Majesty, c. 32, the note circulation of every firm of country bankers was restricted to the average circulation of twelve weeks preceding the 27th day of April 1844.

That each firm issuing its own notes is bound by the said Act to make a weekly return of its circulation; and further, that on the fourth week the average of the four preceding weeks is taken, and should that exceed the fixed limit, the amount of such excess is liable to be forfeited to the Commissioners of Inland Revenue by way of penalty.

That your petitioners, in common with all country bankers who are issuers of their own notes, are placed at certain seasons of the year in positions of great difficulty in their endeavour to keep under their respective circulation, arising from increased periodical demands for agricultural labour, more especially during the time of hop-picking, also the retention of notes by the growers for the payment of their duty, and various other material causes.

That at such periods they are compelled to cease issuing their own notes altogether, and to substitute gold or Bank of England Notes; and that, notwithstanding such cessation, instances have occurred when they have been in excess, in spite of the greatest vigilance and desire to keep within their average; that at such times their attention is most fully occupied in providing for the extraordinary wants of the neighbourhood, and the task of endeavouring to keep down the circulation is rendered most harassing.

That your petitioners humbly venture to suggest that an extension of the number of weeks, from four to eight weeks, in striking the average of their circulation, would be a great boon and assistance to country bankers issuing their own notes, inasmuch as it would effectually remedy the present grievance without controverting the spirit of the Act.

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Your petitioners therefore most humbly pray, that your Honourable House will consent to the extension of the period for calculating the average circulation, and that a clause to that effect may be inserted in the Act for the renewal of the Bank Charter, or give such other relief as to your Honourable House may seem more fit.

And your petitioners, as in duty bound, will ever pray.

Hammond & Co.
Hilton, Rigden, & Co.
Vallance & Co.
&c. &c. &c.

PETITION of Bankers in the Counties of *Cumberland*, *Westmorland*, and *Lancaster*.

THE Petition of the undersigned Bankers, issuing their own Notes under the provisions of the Act 7 & 8 Vict. c. 32, in the counties of *Cumberland*, *Westmorland*, and *Lancaster*,

Showeth,

THAT your petitioners, without venturing to offer any opinion as to the general principles of the Act above referred to, beg to call the attention of your Honourable House to certain provisions contained in such Act, which in practice work with greater stringency than your petitioners believe it was intended they should by the original framers of the Act.

That your petitioners beg to call the attention of your Honourable House to clauses 13, 17, 18, and 19, which provide that the averages of their circulation, taken for each succeeding period of four weeks, should not exceed certain fixed limits.

That your petitioners beg respectfully to represent that, in consequence of the shortness of the time permitted to them by these clauses for taking the averages, they are unable to avail themselves of their circulations to the full extent granted them by law, by amounts varying from 5 to 10 per cent. of their circulations, according to circumstances.

That at certain seasons of the year there are temporary demands for increased local circulation, arising from fairs and other causes.

That your petitioners at these times cannot extend the circulation of their notes for fear of being unable to contract them so as to reduce the average within the limit in the short time allowed for that purpose, and are therefore compelled to substitute gold and Bank of England Notes, to the annoyance of their customers, gold being an inconvenient medium of exchange for large amounts, and Bank of England Notes not being freely taken in remote country districts.

That when this temporary demand has ceased, a further effect of this unnatural restriction is felt by your petitioners in the contraction of their circulation, which they are unable to restore to its natural limit until another period of activity commences.

That your petitioners beg respectfully to represent that if the time permitted them for taking the average of their circulation were extended from one month to six months, and the year divided into two periods of six months each, they would thereby be able to avail themselves of their circulation to nearly the full extent allowed them by law, and to facilitate the transaction of business to their customers and the public generally without infringing the principle of the Act of Parliament above referred to.

That your petitioners beg further respectfully to represent that by the Scotch and Irish Banking Acts of 1845 (8 & 9 Vict. c. 37 and 38), which are the complements to the English Act of 1844, the Scotch and Irish banks are allowed to issue beyond their fixed limits a sum equal to the amount of gold and silver held by them respectively, in accordance with the principle which regulates the issue department of the Bank of England.

Your petitioners therefore humbly pray your Honourable House that in any Bill to be introduced for the regulation of the currency, you will be pleased to introduce clauses for extending the time for taking the average of the circulation of country bankers from four weeks to six months, and for enabling them to issue beyond their fixed limits notes for sums of money equal in the aggregate amount to the gold and silver held by them respectively.

And your petitioners will ever pray, &c.

Wakefield, Crewdson, & Co., Kendal.

Bank of Westmorland, p.
John Parkin, Manager.

For the Lancaster Banking Company,
John Coulston, Manager.
&c. &c. &c.

Appendix, No. 44.

PETITION of the Chamber of Commerce, *Birmingham.*

THE humble Petition of the Chamber of Commerce for *Birmingham* and the Midland District,

Showeth,

THAT the laws now in force respecting the business of banking and the issue of Bank Notes (especially the Bank Charter Act of 1844) have not in practice been followed by the results contemplated by their enactment, viz. a diminution of the fluctuations in the amount of circulation, in the value of money, and in the general range of prices (greater and more frequent fluctuations in the two former having taken place during the last 13 years than during any similar period in the present century).

That since the amount of Bank Note issue was regulated by the said Act, the population of this realm has greatly increased, the basis of its commercial operations has been greatly extended, and the late unforeseen discoveries of gold in California and Australia have tended in various ways to disturb the monetary relations of the country.

That, notwithstanding the enormous amount of gold imported since those discoveries, its re-export has been so extensive and immediate that the amount of bullion in the issue department of the Bank of England (the foundation on which the issue of Bank Notes is based by the said Act) has been diminished below the amount at which it stood at the time of passing the said Act; and thus, notwithstanding the aforesaid large increase in population and trade, the amount of Bank of England Notes in circulation is now considerably less than was the case in 1844, while the issues of private and joint-stock banks have also largely diminished since that period.

That the principle on which the privilege of issuing notes is by the Bank Charter Act of 1844 granted to certain banks, and withheld from others, and also the provisions of the Act for regulating joint-stock banks, 1844, appear to your petitioners to require revision.

That for these reasons your petitioners have learned with much satisfaction that your Honourable House has appointed a Committee to inquire into the operation of the said Acts, and of the Bank Acts for Ireland and Scotland; and, being deeply impressed with the importance of such inquiry, they earnestly pray that it may be made as full, searching, and impartial as possible, and especially that competent witnesses from various parts of the kingdom may be examined who can lay before the Committee their experience of the practical results of the said Acts.

And your petitioners will ever pray.

Signed on behalf and by direction of the Council,

J. D. Goodman, Vice-President,

PETITION of the *Liverpool* Financial Reform Association.

The Petition of the undersigned Members of the Financial Reform Association, and other Inhabitants of *Liverpool*,

Humbly showeth,

THAT your petitioners, being deeply interested in the prosperity of the trade, commerce, and manufactures of this country, regret to find that the Committee of your Honourable House appointed to inquire into the subject of renewing the Bank of England Charter, is mainly composed of men pledged to the existing system, and directly interested in its continuance.

That the secresy of its proceedings must tend to impair public confidence in that Committee, as tending to show the existence of a foregone conclusion on the part of Her Majesty's Government in favour of the renewal of the charter.

That, without entering into any discussion of currency theories, or suggesting any particular remedies for grievances which all mercantile men must feel, your petitioners think it highly essential to the public welfare, as well as to the character of Parliament and Government, that the inquiry into this important subject should be conducted by impartial and able men, unpledged to any particular system, and also that it should be an open one, so that its proceedings may be reported whilst in progress, and opportunities offered for the correction of erroneous evidence and mis-statements, if any such be made.

Your petitioners therefore humbly pray that your Honourable House will be pleased to adopt such measures as may be necessary to render the inquiry into the Bank Act of 1844, and the Bank of England Charter, thoroughly searching, honest, and impartial; and also that your Honourable House will give additional efficiency and credit to the deliberations of such Committee, by removing from it the seal of secresy.

And your petitioners will ever pray.

John Jones.
Robertson Gladstone.
Lawrence Heyworth.
&c. &c. &c.

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PETITION of Bankers in the County of *Gloucester*.

We, the undersigned bankers issuing our own notes, under the provisions of the Act of Parliament 7 & 8 Vict., c. 32., in the County of Gloucester, without venturing to offer any opinion as to the general principles of the Act, respectfully beg to call your attention to certain provisions contained therein, which in practice work with greater stringency than we believe was intended they should by the original framers of the Act.

We beg to call your attention to clauses 13, 17, 18, and 19, which provide that the averages of our circulations, taken for each succeeding period of four weeks, shall not exceed certain fixed limits.

We beg respectfully to represent, that in consequence of the shortness of the time permitted us by these clauses for taking these averages, we are unable to avail ourselves of our circulations to the full extent granted us by law, by amounts varying from 5 to 10 per cent. of our circulations, according to circumstances.

At certain seasons of the year there are temporary demands for increased local circulation, arising from fairs and other causes. We cannot at these times extend our circulations, for fear of being unable to contract them so as to reduce the average within the limit, in the short time allowed for that purpose, and are therefore compelled to substitute gold and Bank of England Notes, to the no small annoyance of our customers, gold being an inconvenient medium of exchange for large amounts, and Bank of England Notes not being freely taken in remote country districts. When this temporary demand ceases, a further effect of this unnecessary restriction is felt by us; our circulations contract, and we are unable to restore them to their natural limit, until another period of activity commences. We beg respectfully to represent, that if the time permitted us for taking the averages of our circulations were extended from one month to six months, and the year divided into two periods of six months each, we should then be able to avail ourselves of our circulations to very nearly the extent permitted us by law, and to facilitate the transaction of business to our customers and the public generally. We believe that bankers throughout the country would look upon this change with great satisfaction; and as it would not in any way infringe upon the principle of the Act of Parliament above referred to, we beg respectfully to suggest, that this change should be embodied in the Bill to be brought before the House of Commons during the present Session. We would further respectfully represent, that by the Scotch and Irish Banking Acts of 1845, 8 & 9 Vict., c. 37 and 38, which are complements to the English Acts of 1844, the Scotch and Irish banks are allowed to issue, beyond their fixed limits, a sum equal to the amount of gold and silver held by them respectively, in accordance with the principles which regulate the issue department of the Bank of England.

We therefore respectfully suggest, that we should be put upon the same footing as the Scotch and Irish banks in this respect, and thus be enabled to meet with greater regularity and certainty the legitimate business wants of our respective districts than we are able to do at present, and to obviate the difficulties and inconveniences under which we at present labour. As this would be in entire accordance with the principles of the legislative measures of 1844 and 1845, we trust that Parliament will see no difficulty in granting the concession.

Harwood, Hatcher, & Sams,
Thornbury Bank, Gloucestershire.

22 May 1857.

PETITION of Bankers in the County of *Monmouth*.

To the Honourable the Commons of *Great Britain* and *Ireland* in Parliament assembled.

We, the undersigned bankers, issuing our own notes under the provisions of the Act of Parliament 7 & 8 Vict. c. 32, in the county of Monmouth, without venturing to offer any opinion as to the general principles of the Act, respectfully beg to call your attention to certain provisions contained therein, which in practice work with greater stringency than we believe it was intended they should by the original framers of the Act. We beg to call your attention to clauses 13, 17, 18, and 19, which provide that the averages of our circulation, taken for each succeeding period of four weeks, shall not exceed certain fixed limits. We beg respectfully to represent that, in consequence of the shortness of the time permitted us by these clauses for taking the averages, we are unable to avail ourselves of our circulations to the full extent granted us by law, by amounts varying from 5 to 10 per cent. of our circulations, according to circumstances. At certain seasons of the year there are temporary demands for increased local circulation, arising from fairs and other causes. We cannot at these times extend our circulations for fear of being unable to contract them so as to reduce the average within the limit in the short time allowed for that purpose, and are, therefore, compelled to substitute gold or Bank of England Notes, to the no small annoyance of our customers, gold being an inconvenient medium of exchange for large amounts, and Bank of England Notes not being freely taken in remote country districts.

When

When this temporary demand ceases, a further effect of this unnatural restriction is felt by us; our circulations contract, and we are unable to restore them to their natural limit, until another period of activity commences. We beg respectfully to represent that, if the period permitted us were extended from one month to six months, and the year divided into two periods of six months each, we should then be able to avail ourselves of our circulations to very nearly the full extent permitted us by law, and to facilitate the transaction of business to our customers and the public generally. We believe that bankers throughout the country would look upon this change with great satisfaction; and, as it would not in any way infringe upon the principle of the Act of Parliament above referred to, we beg respectfully to suggest that this change should be embodied in the Bill to be brought before the House of Commons during the present Session.

We would further respectfully represent that by the Scotch and Irish Banking Acts of 1845, 8 & 9 Vict. c. 37, 38, which are complements to the English Act of 1844, the Scotch and Irish banks are allowed to issue beyond their fixed limits a sum equal to the amount of gold and silver held by them respectively, in accordance with the principle which regulates the issue department of the Bank of England. We therefore respectfully suggest that we should be put upon the same footing as the Scotch and Irish banks in this respect, and thus be enabled to meet with greater regularity and certainty the legitimate business wants of our respective districts than we are able to do at present, and to obviate the difficulties and inconveniences under which we at present labour. As this would be in entire accordance with the principle of the legislative measures of 1844 and 1845, we trust that Parliament will see no difficulty in granting the concession.

Bromage, Snead, & Snead, Bankers,
Chepstow, Monmouthshire.

PETITION of Bankers in the Counties of *York* and *Derby.*

To the Honourable the Commons of the United Kingdom of *Great Britain* and *Ireland,* in Parliament assembled.

We, the undersigned bankers, issuing our own notes under the provisions of the Act of Parliament, 7 & 8 Vict. c. 32, in the counties of York and Derby, without venturing to offer any opinion as to the general principles of the Act, respectfully beg to call the attention of your Honourable House to certain provisions contained therein, which in practice work with greater stringency than we believe it was intended they should by the original framers of the Act.

We beg to call the attention of your Honourable House to clauses 13, 17, 18 and 19, which provide that the averages of our circulations, taken for each succeeding period of four weeks, shall not exceed certain fixed limits.

We beg respectfully to represent to your Honourable House, that in consequence of the shortness of the time permitted to issuing bankers by these clauses, for taking the averages, they are unable to avail themselves of their circulations to the full extent granted by law.

At certain seasons of the year there are temporary demands for increased local circulation arising from fairs, from the accumulation of notes in the hands of tenants for some time previous to their rent days, and other causes, bankers cannot at these times extend their circulations for fear of being unable to contract their issues so as to reduce the average within the limit in the short time allowed for that purpose, and are therefore compelled to substitute gold and Bank of England Notes, to the no small annoyance of their customers; gold being an inconvenient medium of exchange for large amounts, and Bank of England Notes not being freely taken in country districts from a greater apprehension of forgery than exists with the well-known local issues.

When this temporary demand ceases, a further effect of this unnatural restriction is felt by the bankers. Their circulations contract, and they are unable to restore them to their natural limit until another period of activity commences.

We beg respectfully to represent to your Honourable House, that if the time permitted to bankers for taking the averages of their circulations were extended from one month to six months, and the year divided into two periods of six months each, they would then be able to avail themselves of their circulations to very nearly the full extent permitted them by law, and to facilitate the transaction of business to their customers and the public generally. We believe that bankers throughout the country would look upon this change with great satisfaction, and as it would not in any way infringe upon the principle of the Act of Parliament above referred to, we beg respectfully to suggest to your Honourable House that this change should be embodied in the Bill, to be brought before your Honourable House during the present Session.

We would further respectfully represent to your Honourable House, that by the Scotch and Irish Banking Acts of 1845, 8 & 9 Vict., c. 37 & 38, which are complements to the English Act of 1844, the Scotch and Irish banks are allowed to issue beyond their fixed limits, a sum equal to the amount of gold and silver held by them respectively, in accordance with the principle which regulates the issue department of the Bank of England.

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We therefore respectfully pray your Honourable House, that we should be put upon the same footing as the Scotch and Irish banks in this respect, and thus be enabled to meet with greater regularity and certainty the legitimate business wants of our respective districts than we are able to do at present, and to obviate the difficulties and inconveniences under which we at present labour. As this would be in entire accordance with the principles of the legislative measures of 1844 and 1845, we trust that your Honourable House will see no difficulty in granting the concession.

And your petitioners will ever pray, &c.

For the Sheffield and Hallamshire Bank,
Wm. Waterfall, Manager.

For the Sheffield Banking Company,
Jos. Barber, Manager.

For the Sheffield and Rotherham Banking Company,
Wm. Ryann, Manager.

PETITION of Bankers in the County of *Derby*.

To the Honourable the Commons of the United Kingdom of *Great Britain* and *Ireland*, in Parliament assembled.

The humble Petition of us, the undersigned Bankers, issuing our own Notes, under the provisions of the Act of Parliament 7 & 8 Victoria, cap. 32, in the county of *Derby*, who, without venturing to offer any opinion as to the general principles of the Act, respectfully beg to call your attention to certain Provisions contained therein, which in practice work with greater stringency than we believe it was intended they should by the original framers of the Act.

We beg to call your attention to clauses 13, 17, 18 and 19, which provide that the averages of our circulations, taken for each succeeding period of four weeks, shall not exceed certain fixed limits.

We beg respectfully to represent that, in consequence of the shortness of the time permitted us by these clauses for taking the averages, we are unable to avail ourselves of our circulations to the full extent granted us by law, by amounts varying from 5 to 10 per cent. of our circulations, according to circumstances.

At certain seasons of the year there are temporary demands for increased local circulation, arising from fairs and other causes. We cannot at these times extend our circulations, for fear of being unable to contract them so as to reduce the average within the limit in the short time allowed for that purpose, and are therefore compelled to substitute gold and Bank of England notes, to the no small annoyance of our customers, gold being an inconvenient medium of exchange for large amounts, and Bank of England notes not being freely taken in remote country districts.

When this temporary demand ceases, a further effect of this unnatural restriction is felt by us. Our circulations contract, and we are unable to restore them to their natural limit until another period of activity commences.

We beg respectfully to represent, that if the time permitted us for taking the averages of our circulations were extended from one month to six months, and the year divided into two periods of six months each, we should then be able to avail ourselves of our circulations to very nearly the full extent permitted us by law, and to facilitate the transaction of business to our customers and the public generally. We believe that bankers throughout the country would look upon this change with great satisfaction, and, as it would not in any way infringe upon the principle of the Act of Parliament above referred to, we beg respectfully to suggest that this change should be embodied in the Bill to be brought before your Honourable House during the present Session.

And your petitioners will ever pray.

Crompton, Newton & Co.
Pro *Samuel Smith & Co.*,
Ed. Calvert, Chief Cashier to the Firm.

W. & S. Evans & Co.
W. Baker, Chairman of the Derby and Derbyshire Banking Company.

PETITION of *William Brown*, President of, and as representing the Glasgow and West of Scotland Guardian Society for the Protection of Trade.

The Petition of William Brown, President of, and as representing the Glasgow and West of Scotland Guardian Society for the Protection of Trade, comprising upwards of 1,000 Members, consisting of Bankers, Merchants, Manufacturers, and Traders, carrying on business in Glasgow and elsewhere,

Humbly showeth,

That your petitioners most respectfully take the liberty of addressing your Honourable House for the purpose of requesting your consideration to some of the following reasons, which they would beg leave to submit with the view of procuring a repeal, or at least a very considerable modification, made in the provisions of the Act to regulate the issue of bank notes in Scotland :—

1st. Because your petitioners consider that the provisions for regulating the issue of notes in Scotland are erroneous in theory, and have been found in practice to inflict an unnecessary burden on the mercantile community.

2d. Because the said provisions are unfair in their operations, and introduce inequalities which are uncalled for in the conditions on which the banks in Scotland carry on their business.

3d. Because the said provisions are useless for the purpose for which they were intended, viz., to maintain the convertibility of the bank note, and to secure the due payment of the same in gold.

4th. Because the stock of bullion at present held by the banks is unnecessarily large, and so much capital lying waste and unproductive locked up in the safes of the banks.

5th. Because the provisions contain no mode whereby the circulation can be extended or re-adjusted, so as to meet the increase in the trade and commerce of the country, or in the progress and development of individual banks.

That, in the event of the said provisions not being repealed, your petitioners would most respectfully beg leave to submit for the consideration of your Honourable House the following suggestions, and which, if carried into practice, would, they humbly think, be the means of procuring considerable relief to the mercantile community :—

1st. That a fresh average be annually or triennially taken on the basis of the circulation of the previous year, or the previous three years; or,

2d. That a certain amount of fixed circulation be allowed to each bank on the basis of its paid-up capital, say one-third; or,

3d. If no alteration is to be made in the proportions of the circulation as at present fixed and allowed, then it is respectfully submitted that each bank be permitted to hold three-fourths of the excess in Government securities, and one-fourth in gold.

May it therefore please your Honourable House to take this petition into consideration, and grant such relief as shall appear just and proper to your Honourable House, or to do otherwise, as shall be considered expedient.

And your petitioner will ever pray.

William Brown.

PETITION of Bankers in the City of *Coventry*.

To the Honourable the Commons of the United Kingdom of *Great Britain* and *Ireland*, in Parliament assembled.

We, the undersigned bankers, issuing our own notes, under the provisions of the Act of Parliament 7 & 8 Vict. c. 32, in the city of Coventry, in the county of Warwick, without venturing to offer any opinion as to the general principles of the Act, respectfully beg to call your attention to certain provisions contained therein, which, in practice, work with greater stringency than we believe it was intended they should by the original framers of the Act.

We beg to call your attention to clauses 13, 17, 18, and 19, which provide that the averages of our circulations, taken for each succeeding period of four weeks, shall not exceed certain fixed limits.

We beg respectfully to represent that in consequence of the shortness of the time permitted us by these clauses for taking the averages, we are unable to avail ourselves of our circulations to the full extent granted us by law, by amounts varying from 5 to 10 per cent. of our circulations, according to circumstances.

At certain seasons of the year there are temporary demands for increased local circulation, arising from fairs, and other causes. We cannot at these times extend our circulations, for fear of being unable to contract them so as to reduce the average within the limit in the short time allowed for that purpose, and are therefore compelled to substitute gold and Bank of

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England notes, to the no small annoyance of our customers, gold being an inconvenient medium of exchange for large amounts, and Bank of England notes not being freely taken in remote country districts.

When this temporary demand ceases, a further effect of this unnatural restriction is felt by us. Our circulations contract, and we are unable to restore them to their natural limit until another period of activity commences.

We beg respectfully to represent, that if the time permitted us for taking the averages of our circulations were extended from one month to six months, and the year divided into two periods of six months each, we should then be able to avail ourselves of our circulations to very nearly the full extent permitted us by law, and to facilitate the transaction of business to our customers and the public generally. We believe that bankers throughout the country would look upon this change with great satisfaction; and as it would not in any way infringe upon the principle of the Act of Parliament above referred to, we beg respectfully to suggest that this change should be embodied in the Bill to be brought before the House of Commons during the present Session.

We would further respectfully represent, that by the Scotch and Irish Banking Acts of 1845, 8 & 9 Vict., c. 37 & 38, which are complements to the English Act of 1844, the Scotch and Irish banks are allowed to issue beyond their fixed limits, a sum equal to the amount of gold and silver held by them respectively, in accordance with the principle which regulates the issue department of the Bank of England.

We therefore respectfully suggest that we should be put upon the same footing as the Scotch and Irish Banks in this respect, and thus be enabled to meet with greater regularity and certainty the legitimate business wants of our district than we are able to do at present, and to obviate the difficulties and inconveniences under which we at present labour. As this would be in entire accordance with the principles of the legislative measures of 1844 and 1845, we trust that Parliament will see no difficulty in granting the concession.

For the Coventry and Warwickshire Banking Company,
J. Lissaman, S. Manager.

For the Coventry Union Banking Company,
E. M. Swan, Sub-Manager.

Coventry, 1 June 1857.

PETITION of BANKERS in the Counties of *Lincoln* and *Northampton*.

To the Honourable the Commons of the United Kingdom of *Great Britain* and *Ireland*, in Parliament assembled.

The Petition of the undersigned Bankers issuing their own Notes under the provisions of the Act 7 & 8 Vict. c. 32, in the counties of *Lincoln* and *Northampton*,

Showeth,

THAT your petitioners without venturing to offer any opinion as to the general principles of the Act above referred to, beg to call the attention of your Honourable House to certain provisions contained in such Act, which in practice work with greater stringency than your petitioners believe it was intended they should by the original framers of the Act.

That your petitioners beg to call the attention of your Honourable House to clauses 13, 17, 18, and 19, which provide that the averages of their circulations, taken for each succeeding period of four weeks, should not exceed certain fixed limits.

That your petitioners beg respectfully to represent, that in consequence of the shortness of the time permitted them by these clauses for taking the averages, they are unable to avail themselves of their circulations to the full extent granted them by law, by amounts varying from 5 to 10 per cent. of their circulations, according to circumstances.

That at certain seasons of the year there are temporary demands for increased local circulation, arising from fairs, and other causes.

That your petitioners at these times cannot extend the circulation of their notes, for fear of being unable to contract them, so as to reduce the average within the limit in the short time allowed for that purpose, and are therefore compelled to substitute gold and Bank of England notes, to the annoyance of their customers, gold being an inconvenient medium of exchange for large amounts, and Bank of England notes not being freely taken in remote country districts.

That when this temporary demand has ceased, a further effect of this unnatural restriction is felt by your petitioners in the contraction of their circulation, which they are unable to restore to its natural limit until another period of activity commences.

That your petitioners beg respectfully to represent, that if the time permitted them for taking the average of their circulation were extended from one month to six months, and the year divided into two periods of six months each, they would thereby be able to avail themselves of their circulation to nearly the full extent allowed them by law, and to facilitate the transaction of business to their customers and the public generally, without infringing the principle of the Act of Parliament above referred to.

That

That your petitioners beg further respectfully to represent, that by the Scotch and Irish Banking Acts of 1845 (8 & 9 Vict. c. 37 and 38), which are the complements to the English Act of 1844, the Scotch and Irish banks are allowed to issue beyond their fixed limits, a sum equal to the amount of gold and silver held by them respectively, in accordance with the principle which regulates the issue department of the Bank of England.

Your petitioners, therefore, humbly pray your Honourable House, that in any Bill to be introduced for the regulation of the currency, you will be pleased to introduce clauses for extending the time for taking the average of the circulation of country bankers from four weeks to six months, and for enabling them to issue beyond their fixed limits notes for sums of money equal in the aggregate amount to the gold and silver held by them respectively.

And your petitioners will ever pray, &c.

Stamford, Spalding and Boston Banking Company, by
Orlando Edmonds, Managing Director.

William Risbee, Manager of the Northamptonshire Union Bank.

S. Read, Manager of the Northamptonshire Banking Company.

The Lincoln and Lindsey Banking Company, by
W. T. Page, Manager.

PETITION of Merchants, Manufacturers, Shipowners, &c., of the City of *Glasgow*.

The Petition of the undersigned Merchants, Manufacturers, Shipowners, and others of the City of *Glasgow* and its Neighbourhood,

Humbly showeth,

That there are 17 banks in Scotland, composed of 13,991 partners or shareholders, with a paid-up capital of 11,726,260 *l.* sterling.

That previous to the year 1844 the trade of banking in Scotland was free. Scotsmen, if they saw fit, were entitled to associate and carry on business as bankers, and under this freedom from legislative restrictions or control Scottish banks were secure, and the Scottish banking system was looked on as a model worthy of adoption in England and the British colonies, whilst the mercantile, manufacturing, agricultural, and industrious classes generally received monetary accommodation on moderate and reasonable terms.

That in 1844, however, through the connivance of two or three interested bankers, who were assumed to represent the people of Scotland, but wholly unknown to the people themselves, without the same ever having been called for by them, without any reason ever having been assigned, and when the vigilance of the Scottish Members of Parliament was lulled asleep by the declaration of the late Sir Robert Peel, when introducing the Bank of England Charter Act of that year, that the legislation affecting Scottish and Irish banking would be postponed till next Session (1845), a monopoly was enacted by the substitution of the words "United Kingdom" for the word "England" in the said Act; and the formation of new banks of issue in all time coming were strictly prohibited.

That this monopoly was not only insidiously enacted, but it was in direct opposition to the principles of free trade recognised by the British Legislature, for it is impossible in the nature of things there can be free trade in commodities in the true sense, if the trade in the very means or instruments by which commodities are to be measured or estimated and interchanged is a monopoly in the hands of comparatively a few privileged parties, whose interest is adverse to the interests of all other classes of the community.

That in like manner the restriction of the issues or bank note circulation imposed by the Act 1845, and prohibition of any increase in the circulation except in proportion to gold coin held in reserve by the banks, irrespective of all increase of population or extended trade or greater demands for monetary accommodation, was equally uncalled for and equally impolitic. The holding of gold coin is not only unprofitable, but it affords little more than a nominal security to the public, inasmuch as it just displaces capital in some other shape yielding profit or returns, whereas the gold yields none, whilst as a rule it operates most unequally and inequitably amongst the banks themselves, having no reference whatever to their different amount of capital, circulation, or deposits. In fact, it is a purely arbitrary regulation, without any valid reason or principle for its adoption. It constitutes no adequate security for the payment or conversion of the notes, and far less does it guarantee the deposits, whose receipt holders, if any special security is necessary at all, require to be guaranteed just as much as, if indeed not more, than the holders of the notes.

That in the 20 years betwixt 1825 and 1845, five new native joint stock banks were established in the city of Glasgow, namely, the Union Bank, now the Union Bank of Scotland, Western Bank, Clydesdale Bank, City Bank, and Edinburgh and Glasgow Bank. But during the last 12 years, or since the enactment of the monopoly, not a single new bank has been established, although the population, trade, commerce, and shipping of the city and harbour, and demands for monetary accommodation have increased in a much greater ratio, in fact have been positively much greater in these 12 years than during the previous 20. As a consequence of this monopoly, the shares of all the Scottish banks are at large

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premiums. The dividends range from 6 to 10 per cent., the average being 8 per cent.; but all this gain of the banks in virtue of their monopoly just implies high and usurious rates of interest and discount exacted from the public; the gains or prosperity of the banks are simply synonymous with the losses and injury of the commercial and industrious and producing classes who are dependent for monetary accommodation on the banks; and such losses and injury will continue to be sustained so long as the right of competition or of free trade in banking is denied to the people—so long as the banking and money interest is protected and pampered by the Legislature.

That, if the population, trade, and commerce of Glasgow during these 20 years could sustain five new banks with advantage to themselves and the public, the inference is that the increased and still extending trade, shipping, and commerce of the city and harbour afford room for additional banks, and there is no reason why the new race of manufacturers, traders, and merchants who have established themselves in business since 1845 should be deprived of the privileges which their predecessors enjoyed, or be prevented from combining their own credit, and adding to the money power of the community.

Contrasted with the number of banks in England or Australia or Canada, and the amount of circulation in proportion to capital and with reference to population, Scottish banking is unduly restricted; and it may well be asked, Why should Scotland, which originated the joint-stock system, and taught England and our colonies the science or true principles of banking, be less free in her banking operations than either Victoria or Canada? Why should her sons who stay at home be denied the privilege of being their own bankers, while those who emigrate are free and unrestricted?

That when the Act of 1845 was under discussion in the House of Commons, Sir Robert Peel declared that the monopoly which had been created in 1844 unknown to the Scottish Members might be relaxed at the expiry of the Bank of England Charter Act, or when it came to be renewed, on application being made or cause shown for such relaxation.

That your Petitioners are satisfied that the policy of restricting the number of banks in Scotland is exceedingly fallacious. It can have no other effect than to increase the power and profits of those who deal in and live by money at the expense of the industrious and productive and commercial classes.

That your Petitioners are of opinion that the expediency of affixing a price or monetary denomination to our gold coins or sovereigns ought to be a principal point of inquiry by the Committee on the Bank Charter Act, and also that all monopolies of banking and undue and arbitrary restrictions should be done away, and that there should be as much freedom in banking as in baking—in the supply of money as in the supply of food; and that cheap or low prices for the one are not more important than cheap or low rates of usance or interest for the other.

But what your Petitioners wish more immediately to press on the attention of your Honourable House is, that the prohibition against the formation of new banks in Scotland and the law as to the reserves of gold should be repealed, or at all events revised, amended, or relaxed, to the effect of permitting the formation of new banks in Scotland, especially in the city of Glasgow and other localities where the population, trade, and commerce have increased, and in proportion to such increase; and the substitution of Government securities to be held by the banks instead of gold coins as a security for the payment or convertibility of their notes.

May it therefore please your Honourable House to take this Petition into consideration, and, with or without remitting the same to the Committee on the Renewal of the Bank Charter Act, to alter, amend, modify, or relax the Acts of 1844 and 1845 to the effect foresaid.

And, as in duty bound, your Petitioners will ever pray, &c.

Wm. A. G. M'Leod.
A. Adamson.
A. M'Lachlan.
&c. &c. &c.

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2. *Exceptions taken to the present Form.*
3. *Delay in Publication; Amendment contemplated.*
4. *Form of Account proposed by Mr. Wilson; Objections thereto.*
5. *System of Account previously to* 1844.

1. *Form of Weekly Account now Published; its Advantages:*

Explanation as to the items of a paper (*App. p.* 241), being a copy of the weekly account of the Bank on the 9th May last, *Weguelin* 825–828——The liabilities and assets of the Bank are divided under the heads of Issue Department and Banking Department, for the purposes of the Act of 1844, as a matter of account, and may not strictly represent the real circumstances of the Bank, *ib.* 840–848——As regards the item "notes" in the account of the banking department, it doubtless represents part of the bullion in the same department; doubt as to any misconception hereon on the part of the public, *ib.* 841–848. 861–866. 880–887——Witness has become accustomed to the present statement, and considers it the clearest that can be made, *ib.* 887.

The advantage of the present separation of the accounts is, that it keeps before the eyes of the public the restraint upon the Bank not to issue more than 14,000,000*l.* upon securities, *Weguelin* 1118–1167——There would be no difficulty in publishing the weekly account in two forms, *ib.* 1251, 1252——Further approval of the present form of account, as admitting of clear apprehension on the part of the public, *ib.* 1297–1300.

Opinion that too much information is given in the published accounts of the Bank; the public do not yet properly comprehend them, *Hubbard* 2422, 2423. 2426–2428——Approval of the form or principle on which the accounts are exhibited, *ib.* 2424–2426.

Approval of the present form of accounts of the Bank, as the best means of representing the real condition of the currency, *Norman* 2982–2987. 3222. 3223.

The alteration in the form of accounts has been extremely beneficial with regard to the instruction and guidance of the public, *Right Hon. Lord Overstone* 3961–3963——In proof of the great importance of the present form of accounts, witness is prepared to show that had such form been in practice during the different pressures before 1844 immense good would have resulted; evidence in detail hereon, *ib.* 4171 *et seq.*——The publication in 1833–37 of the present form of account would have caused a salutary contraction of the currency at an earlier period, *ib.* 4184, 4185.

Account, pursuant to the Act 7 & 8 Vict. c. 32, for the week ending on Saturday the 9th day of May 1857, *App. p.* 241.

2. *Exceptions taken to the present Form:*

Consideration of the present form of account published weekly by the Bank of England; concurrence in the view of Mr. Wilson as to the deceptive character of the account in its leading particulars, *Newmarch* 1680–1698——Wrong impression produced upon the public mind by the present form of account, in regard to the cause of variations in the reserve, *ib.* 1695–1698.

Exception taken by Mr. Blair, manager of the Bank of Scotland, to the present system of publication of the Bank accounts, *App. p.* 329.

3. *Delay in Publication; Amendment contemplated:*

Explanation as to the weekly accounts up to Saturday not being published till the following Friday, *Weguelin* 461, 462. 465——Proposition of the Bank to bring the accounts

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Accounts (*Bank of England*)—continued.

3. *Delay in Publication; Amendment contemplated*—continued.

accounts down to Wednesday, so that there may be an interval only of one day before publication, *Weguelin* 463, 464. 466–471——Advantage in the public being furnished with the latest information as to the reserve of bullion, *ib.* 465. 471–474——Advantage in making up a weekly account for the "Gazette" of Friday rather than of Tuesday, *ib.* 1243, 1244.

4. *Form of Account proposed by Mr. Wilson; Objections thereto:*

Consideration of two altered forms of account (produced by Mr. Wilson), showing the total liabilities and assets, without any distinction between the banking and issue departments; doubt whether they are any improvement upon the existing form, *Weguelin* 849–876. 885–887——Question as to the advantage of a different form of account, in order that the public might see that a decline in the reserve represents a variation in the bullion and not the active circulation, *ib.* 1118. 1129, 1130——Consideration of a form of account (produced by Mr. Wilson) in use since 1832 in the case of colonial banks of issue; doubt as to any advantage if a similar form were adopted by the Bank of England in lieu of the present double form, *ib.* 1168–1180.

Exception taken to the form of account proposed by Mr. Wilson, *Neave* 1175, 1176.

Strong objections to any alteration which should involve a blending of the separate accounts of each department, *Right Hon. Lord Overstone* 3961–3963. 4171, 4172. 4184, 4185. 4199, 4200.

5. *System of Account previously to* 1844:

The monthly account previously to 1844 did not give so much information as the present accounts, *Hubbard* 2427, 2428——Preparation previously to 1844, for the private convenience of the Bank directors, of an account similar to that now published, *Norman* 3099–3101——In the old form of account the circulation of the Bank, as published, showed only the notes in the hands of the public, such notes constituting the only liabilities of the Bank in regard to its circulation, *ib.* 3224–3227.

The account adopted by the Bank directors, previously to 1844, relative to a separation of the departments, was merely a tentative account for their private information, *Right Hon. Lord Overstone* 3897, 3898. 4170——Objections to the former system of blending the accounts, *ib.* 3961–3963. 4171, 4172. 4199, 4200.

Act 7 & 8 *Vict. c.* 32:

1. *General Approval and recommended Renewal of the Act of* 1844.
2. *Exceptions taken to the operation of the Act.*
3. *Object of passing the Act for only Ten Years.*

1. *General Approval and recommended Renewal of the Act of* 1844:

On the whole, witness fully approves of the Act of 1844, and is not prepared to recommend any material alteration in it, *Weguelin* 35–37. 77. 1330——The Act has, in witness's opinion, worked well for the public, *ib.* 215.

Witness considers that the principle of the Act of 1844 has acted most beneficially, and requires no alteration in any essential point, *Hubbard* 2515.

Witness gave evidence before the Select Committee in 1840, whose inquiries had reference to the Act of 1844; thoroughly approves of the Act, *Norman* 2857–2860——The more stringent measures, shown by the experience of 1825, 1837, and 1839 to have been required, were most usefully afforded by the Acts of 1844 and 1845, *ib.* 3435–3437——The general opinion of mercantile authorities is opposed to any relaxation of the Act, *ib.* 3540. 3625, 3626.

Witness gave evidence before the Select Committee in 1840, on Banks of Issue, and also before the Committee of the House of Lords in 1848, on Commercial Distress, and expressed himself strongly on those occasions in favour of the principles embodied in the Act of 1844, *Right Hon. Lord Overstone* 3640–3643——Has year by year become more and more convinced of the soundness of the policy of the Act, and is strongly in favour of its renewal, *ib.* 3642-3645——Considers that public opinion has of late years become much confirmed in favour of the Act, and refers on this point to what may properly be termed the unanimous declaration in its favour by the Bank directors, *ib.* 3645.

Witness has drawn up a short statement of his views upon the several heads embraced in the present inquiry, and reads the same to the Committee; the several propositions contended for are put forth as a conclusive argument in favour of the Act, *Right Hon. Lord Overstone* 3648——Witness further repeats his strong approval of the Act of 1844, the renewal of which without discussion would have been the wisest course that could have been adopted, *ib.* 3704, 3705——Growing feeling in monetary and commercial classes in favour of the Act, *ib.* 3705–3719——Soundness of the state of the currency at the present time, and ever since the passing of the Act, though within the last ten years it has been subjected to some most trying ordeals, *ib.* 3706–3718.

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Act 7 & 8 Vict. c. 32—continued.

1. *General Approval and recommended Renewal of the Act of* 1844—continued.

Had the Act of 1844 been in operation in 1825 and 1837, or during other crises, it must have prevented the diminution of bullion which took place, *Right Hon. Lord Overstone* 3987-3995——The practical merit of the Act is, that it compels the right course to be adopted, *ib.* 3995——Witness cannot offer any suggestion in improvement of the Act, *ib.* 4125.

Evidence in detail with reference to the several pressures between 1783 and 1844, showing that the evils which arose must have been mitigated or prevented if the Act had been in operation, *Right Hon. Lord Overstone* 4173-4188——Witness submits that it is clear to demonstration that if the Act of 1844 had been in operation in 1824 and 1825, it must have prevented or greatly mitigated the evils which occurred, *ib.* 4182——Argument showing that the provisions of the Act of 1844, if applied in the period between 1833 and 1839, would have rendered it impossible that monetary affairs should have reached such disastrous extremities, *ib.* 4184, 4185.

Witness repeats his unqualified approval generally of the principles of the Act; he looks upon it as a noble work, and feels confident that the Committee will never take upon itself the disgrace of destroying such a work, *Right Hon. Lord Overstone* 4189, 4190.

Letter from Mr. Weguelin to the Chancellor of the Exchequer, dated 10th November 1856, in general approval of the Act of 1844, *App. p.* 1–4.

Statement by Mr. Neave in approval of the Act, *App. p.* 4, 5.

Renewal of the Act of 1844 recommended by Mr. Neave, *App. p.* 5——Also by Mr. Cotton, *ib.* 7——Also by Mr. Hanson, *ib.* 8. 20, 21——Also by Mr. Lyall, *ib.* 8——Also by Mr. Morris, *ib.*——Also by Mr. T. C. Smith, *ib.* 9——Also by Mr. Hunt, *ib.* 9110——Also by Mr. Currie, *ib.* 10——Also by Mr. Gibbs, *ib.* 10——Also by Mr. Hubbard, *ib.* 12. 22——Also by Mr. Norman, *ib.* 16——Also by Mr. Latham, *ib.*——Also by Mr. Blake, *ib.* 17——Also by K. D. Hodgson, *ib.* 18——Also by Mr. H. H. Berens, *ib.*——Also by Mr. Malcomson, *ib.* 18. 20——Also by Mr. Crawford, *ib.* 18——Also by Mr. B. B. Greene, *ib.*——Also by Mr. F. Wilson, *ib.* 19——Also by Mr. Dobree, *ib.* 21.

Decided approval by Mr. Cotton of the Act of 1844; convertibility of the note secured thereby, *App. p.* 6, 7.

General approval of the Act by Mr. H. C. Huth, who, suggests however an enlargement of some of its limitations, *App. p.* 9.

Remarks by Mr. G. W. Norman, in approval of the operation of the Act, *App. p.* 14–16.

Decided approval by Mr. H. W. Blake of the Act of 1844, *App. p.* 17.

Re-enaction without material alteration of the existing currency laws recommended by Messrs. G. W. Norman, K. D. Hodgson, H. H. Bernes, J. Morris, J. Malcomson, Thomson Hankey, J. P. Currie, R. W. Crawford, and H. W. Blake, *App. p.* 18.

General approval of the Act by Mr. B. B. Greene, *App. p.* 18.

Partial approval by Mr. F. Wilson of the Act of 1844, *App. p.* 19.

2. *Exceptions taken to the Operation of the Act:*

Beneficial operation of the Act in certain stages of a period of overtrading, but on such occasions only, *Mill* 2020. 2030, 2031——Way in which the Act has operated usefully during the first stage in the progress of a revulsion of credit consequent upon over-speculation, *ib.* 2031. 2104, 2105. 2194. 2304——Way in which the Act has operated mischievously during the last stage in the progress of a revulsion of credit, or when the revulsion has actually come, *ib.* 2031. 2038. 2102. 2194——The Act is especially mischievous in those cases of drain which do not arise from previous over-speculation, *ib.* 2038——Witness considers that the whole theory of the Act is erroneous, and that the Act should be repealed, *ib.* 2283–2285.

When money is easy the Act of 1844 does not operate prejudicially; it is only on a pressure that its restrictions are felt, *Alexander* 4322–4329.

The Act of 1844, which was intended as a complement to that of 1819, has doubtless operated extremely beneficially to the bankers and large capitalists, by enabling them to obtain unduly large rates of interest, *Twells* 4487–4489. 4500, 4501. 4649–4654. 4745–4747. 4781–4795——Argument that the Act has, on the other hand, been exceedingly prejudicial to small capitalists and tradesmen, and that the fluctuations and pressures under the Act have been very injurious to the trade and prosperity of the country generally, *ib.* 4488. 4490–4511. 4612–4617. 4748–4750.

The Act of 1844 has very great merits, but is very defective in its want of provision against withdrawal of the circulation from various causes, *Chapman* 4904. 4907. 4962, 4963.

Report, 1857—*continued.*

Act 7 & 8 Vict. c. 32—continued.

2. *Exceptions taken to the Operation of the Act*—continued.

Written statement of the grounds upon which witness considers that the principles of the present monetary system are unsound, *Capps* 5445.

Statement by Mr. Horsley Palmer, dated the 15th October 1856, in decided disapproval of the Act of 1844, *App. p.* 6.

3. *Object of passing the Act for only Ten Years:*

Probability of the Act having been made temporary for ten years with a view to its re-consideration at the end of that period, *Norman* 3627, 3628——Grounds for concluding that the Act, though passed for only ten years, was intended for a continuous measure; that is, that its principle was intended to be permanent, *Right Hon. Lord Overstone* 4196. 4201–4215——Remarks upon a question put by Mr. Wilson to Mr. Weguelin (Q. 913), in which he seemed to assume that Sir Robert Peel contemplated that the Act of 1844 should last for ten years and no longer, *ib.* 4201. 4204–4212——Modification in the details of the Act are perfectly consistent with the intention that it should be a permanent measure, *ib.* 4202.

See also *Accounts. Artificial Regulation of the Currency. Banking Department. Circulation. Convertibility. Country Banks. Discretionary Issue. Drains of Bullion and Monetary Pressures. Extension of Issue. Issue Department. Management and Direction (Bank of England). Metallic Currency. Mutiny Act. Natural Regulation of the Currency. Peel, Sir Robert (The late). Rate of Interest. Reserve of Bullion (Issue Department). Reserve of Notes and Bullion (Banking Department). Restriction upon Issue. Separation of Issue and Banking Departments. Suspension of Specie Payments. Trade and Commerce.*

Act 7 & 8 Vict. c. 113. Complaint by the manager of the Clydesdale Banking Company in regard to the extension of this Act to Scotland, *App. p.* 332.

Statement submitted to the Chancellor of the Exchequer by the Union Bank of Scotland, the Western Bank of Scotland, the Clydesdale Banking Company, the Edinburgh and Glasgow Bank, and the City of Glasgow Bank, representing the very serious disadvantages which, as not being incorporated, they suffer under the Act 7 & 8 Vict. c. 113, and suggesting means for remedying the evil, *App. p.* 332, 333.

Memorial for the Union Bank of Scotland and the Western Bank of Scotland relative to a question under the Act of 7 & 8 Vict. c. 113, as to the rights of a Scotch joint stock company over the shares of a partner, and opinion of the Lord Advocate and the Solicitor-general of Scotland thereon, dated 9 February 1853, *App. p.* 334, 335.

Case for the five unincorporated banks in Edinburgh and Glasgow, for the opinion of the Lord Advocate, as to the provision of the Act 7 & 8 Vict. c. 113, which limits to twenty years the duration of all incorporating charters or letters patent granted under it; and opinion of the Lord Advocate thereon, dated 18th February 1850, *App. p.* 336, 337.

Objections by the manager of the Union Bank of Scotland to the unequal operation in Scotland of the Act 7 & 8 Vict. c. 113, *App. p.* 337.

Strong objection on the part of the Edinburgh and Glasgow Bank to the operation of the Acts 9 & 10 Vict. c. 75, and 7 & 8 Vict. c. 113, as being very prejudicial to the unincorporated Scotch banks, *App. p.* 339.

Act 8 & 9 Vict. c. 38:

1. *Views of the Bank Directors; Approval generally of the Act.*
2. *Views of the Managers of Scotch Banks; Alterations suggested in the Act.*

1. *Views of the Bank Directors; Approval generally of the Act:*

Amendments suggested by Mr. Norman as regards the Scotch and Irish banks, *App. p.* 5, 6.

Amendment suggested by Mr. J. Horsley Palmer, *App. p.* 6.

Approval by Mr. J. H. Hanson of the Irish and Scotch Acts of 1845, *App. p.* 8.

Approval by Mr. G. Lyall of the Acts of 1845, *App. p.* 8.

General approval by Mr. T. C. Smith of the Acts of 1845, *App. p.* 9.

Remarks by Mr. Masterman on the inconvenient working of the Irish Act of 1845, in regard to the transmission of gold from England, *App. p.* 10.

General approval by Mr. J. P. Currie of the Acts of 1845, *App. p.* 10.

General approval by Mr. H. H. Gibbs of the Acts of 1845, *App. p.* 10.

Remarks by Mr. J. G. Hubbard to the effect that the Irish and Scotch banks cannot be considered as being aggrieved by the Acts of 1845, *App. p.* 13.

Suggestions

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Act 8 & 9 *Vict.* c. 38—continued.

1. *Views of the Bank Directors; Approval generally of the Act*—continued.

Suggestion by Mr. Norman that there be a fixed maximum issue for the Scotch and Irish banks, *App. p.* 15.

Question by Mr. B. Dobree as to the policy of continuing to the Irish and Scotch banks the privilege of an issue of notes against an equal amount of gold coin, *App. p.* 21.

2. *Views of the Managers of Scotch Banks; Alterations suggested in the Act:*

Letter from Mr. Alexander Blair, manager of the Bank of Scotland, to Sir G. C. Lewis, dated the 25th November 1856, stating that the Act of 1845 has been inoperative as regards the Bank, with the exception of the expense of the additional reserve of gold, *App. p.* 328, 329.

Letter from Mr. Wright, manager of the Royal Bank of Scotland, to Sir G. C. Lewis, dated the 3d December 1856, approving of the principle of the Act 8 & 9 Vict. c. 38, but suggesting an enlargement of the circulation assigned to the Scotch banks, and an extension of the period for striking the averages to eight weeks, *App. p.* 329, 330.

Letter from Mr. Corrie, manager of the British Linen Company Bank, to the Chancellor of the Exchequer, dated the 25th November 1856, in approval of all the provisions of the Act 8 & 9 Vict. c. 38, *App. p.* 330.

Letter from Mr. Mackenzie, manager of the Commercial Bank of Scotland, to Sir G. C. Lewis, dated the 27th November 1856, in approval of the Act 8 & 9 Vict. c. 38, and deprecating any measure which would admit of excessive competition in Scotch banking, *App. p.* 330.

Letter from Mr. Duncan, manager of the National Bank of Scotland to Sir G. C. Lewis, dated the 29th November 1856, in general approval of the Act 8 & 9 Vict. c. 38, but suggesting that it might be expedient to revise and extend the authorised issues of the Scotch banks, *App. p.* 331.

Letter from Mr. Readman, manager to the Clydesdale Banking Company to Sir G. C. Lewis, dated the 14th February 1857, complaining of the operation of the Act 8 & 9 Vict. c. 38, in regard to the unincorporated banks of Scotland, and suggesting important alterations in the Act, *App. p.* 331, 332.

Letter from Mr. Robertson, manager of the Union Bank of Scotland to Sir G. C. Lewis, dated the 14th February 1857, offering strong objections to the Acts 8 & 9 Vict. c. 38, and 7 & 8 Vict. c. 113, and suggesting certain amendments therein, *App. p.* 337, 338.

Letter from Mr. Kerr, manager of the Edinburgh and Glasgow Bank to Sir G. C. Lewis, dated the 20th February 1857, offering several objections to the unequal operation of the Acts 6 & 7 Vict. c. 38, and 9 & 10 Vict. c. 75, and suggesting certain amendments therein, *App. p.* 338, 339.

Letter from Mr. Taylor, manager of the Western Bank of Scotland to Sir G. C. Lewis, dated the 14th February 1857, in strong disapproval of the Act 7 & 8 Vict. c. 38, and suggesting certain amendments therein, *App. p.* 339, 340.

Letters dated respectively the 27th April 1854 and the 8th May 1854, from Mr. Taylor to Mr. Gladstone (then Chancellor of the Exchequer), suggesting important alterations in the Act of 1845, more especially that the Scotch banks might be allowed to issue on Government securities beyond the authorised amount, *App. p.* 340–342.

Letter dated the 12th December 1855, from the managers of the Glasgow Banks to Sir G. C. Lewis, suggesting that the Scotch banks be allowed to hold Government securites in lieu of gold, for the excess of circulation or for a certain portion of it, *App. p.* 342, 343.

Letter from Mr. Salmond, manager of the City of Glasgow Bank to Sir G. C. Lewis, dated the 19th February 1857 in disapproval of the Act 7 & 8 Vict. c. 38, and suggesting certain amendments therein, *App. p.* 343.

See also *Ireland. Scotland.*

Act 9 & 10 *Vict. c.* 75. Statement on the part of the Clydesdale Banking Company, with reference to the prejudicial operation of the Act 9 & 10 Vict. c. 75, extending to Scotland the English Joint Stock Bank Act, 7 & 8 Vict. c. 113, *App. p.* 332——Memorandum of alterations since 1853 in the statute 9 & 10 Vict. c. 75, *ib.* 332.

Advances (*Bank of England*). Restrictions and changes adopted by the Bank in regard to temporary advances upon stock and other securities, with a view to the protection of the reserve, *Weguelin* 31–34——The advance of capital by the Bank, and the amount of bullion and of securities held by the Bank may be said to be uncontrolled by the Act of 1844, *ib.* 1105——Tendency of large advances by the Bank temporarily to increase the circulation to a limited extent, *Hibbard* 2607–2614——The demand for advances which

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Advances (*Bank of England*)—continued.

is consequent upon an adverse foreign exchange, mainly exhibits itself in the withdrawal of bullion, *Hubbard* 2616-2627. 2683-2685——Advances by the Bank upon Government securities, and discounts of good bills are usually made at the same rate, *ib.* 2845.

Return containing particulars as to the amounts advanced by the Bank on loan from the 1st January 1844 to the 1st January 1848, *App. p.* 36-43——Similar particulars for the period from the 8th January 1848 to the 27th December 1856, *ib.* 44-61.

Account of the total amount of temporary advances by the Bank of England, from the last day of each week from the 7th September 1844 to the 24th December 1847, *App. p.* 114-119——Similar account from the last day of each week from the 1st January 1848 to the 27th December 1856, *ib.* 120-135.

Return of the amount advanced by the Bank for temporary loans upon Exchequer bills, bills of Exchange, India bonds, &c., in each quarter from the 5th April 1848 to the 5th January 1857, *App. p.* 283.

See also *Discounts* (*Bank of England*). *Rate of Interest.* *Term of Bills.*

Advances of Capital. Encouragement of speculation by advances of capital, *Weguelin* 995. 1011 *et seq.*——Effect of advances of capital, but not of the amount of circulation, on trade and prices, *ib.* 1131-1135.

Witness does not think that any great mischief is ever fomented or produced by real advances of capital, *Right Hon. Lord Overstone* 3990.

Argument by Mr. Blair, manager of the Bank of Scotland, that the regulation of the advances of capital, not of the circulation, is the correct rule for the purpose of avoiding violent fluctuations in commerce and manufactures, *App. p.* 328, 329.

Alexander, Nathaniel. (Analysis of his Evidence.)—Is the head of the firm of Alexander and Co., India merchants, 4249-4251——The India trade is carried on upon very long credits, and chiefly in bills, 4252——The operation of the Bank of England is of very great importance to the trade, 4253, 4254.

Opinion that the object of the Act of 1844 was partly to secure the value of the currency, and partly to check over speculation and over-credit, 4255, 4256——Objection to the issue of bank notes, being a legal tender, except in such quantities as may be met by the issuer in gold, 4257-4259. 4270. 4289, 4290. 4312, 4313——Way in which the issue of 14,000,000*l.* in notes on securities weakens the position of the Bank, and impairs its power of affording relief when most required, 4259. 4270. 4313.

Suggestion that in lieu of bank notes issued on securities there be an issue of legal tender notes, receivable by Government in payment of taxes, but not convertible into specie on demand, 4259. 4270 *et seq.*——These notes should be issued by Government; the Bank of England should receive them in return for securities, and they should be a legal tender when paid out of the Bank, 4259, 4260. 4270-4273. 4290-4295. 4352.

With regard to the crisis in October 1847, witness considers that the Bank could not have gone on, and that there would have been a general stoppage of all credit transactions but for the Government letter, 4261, 4262. 4269, 4270. 4283, 4284——Depreciation of property to the extent generally of not less than 300,000,000*l.* by the panic and discredit in 1847; 4263-4265——The panic in question was not through fear of the safety of the Bank of England, but in consequence of the restrictions imposed by the Act upon the Bank issues, such restrictions causing a general apprehension of want of notes, 4265-4270. 4274-4276. 4285-4288. 4348-4350. 4360-4362.

Way in which the position of the Bank would be much strengthened by the proposed inconvertible notes to be issued by Government, 4270 *et seq.*——More equable state of the money under the proposed system, 4273——Importance of less frequent variation in the rate of interest in the case of the India trade and other trades conducted on long credits, 4273. 4326. 4363——Belief that if the Bank had had power in 1847 to issue inconvertible notes, on security, the panic would have been obviated, 4274-4276. 4287, 4288.

Suggestion that some arrangement be made, even though it involve an expense to Government, whereby the Bank should keep the whole of its capital subject to short transactions; illustration hereon of the evil of long investments of the Bank capital, 4277-4282.

Besides the proposed inconvertible notes the Bank of England should issue upon gold, 4289, 4290——The holders of bank notes only should have a right to claim gold in payment for their notes, 4291-4299——The inconvertible notes, so called, would, as being receivable in payment of taxes, be to that extent convertible; this is an essential point, 4297-4299. 4303-4307——The maximum issue of these notes might be fixed at 20,000,000*l.*, 4300-4302.

Belief that the proposed inconvertible notes would not be at a discount as compared with the convertible notes, 4308——Country bank notes not being a legal tender, witness does not recommend that such notes should, as well as Bank of England notes, be

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Alexander, Nathaniel (Analysis of his Evidence)—*continued.*

be issued only on gold, 4309-4313. 4318, 4319——If the Bank issues were all on gold, 1 *l.* notes would be an advantage, 4317——Individually witness sees no objection to a discretion in the Bank to issue notes, which should not be a legal tender, not against bullion, 4319.

When money is easy the Act of 1844 does not operate prejudicially; it is only on a pressure that its restrictions are felt, 4322-4329——Effect of the restrictions of the Act in raising the rate of interest, 4325-4329——State of the East Indian trade at the present time; unprofitable nature of witness's trade, 4330-4333. 4364, 4365——Information relative to the long-continued drain of silver to the East; causes of the drain, 4334-4344——The large absorption of bullion from the Banks of England and France since 1853 is chiefly to be accounted for by hoarding on the Continent, 4345-4347.

Evil effect generally of the restriction upon the Bank as regards the use of all the bullion in the Issue Department, 4348-4355——In speaking of the amount of reserve of the Bank before 1844, and subsequently thereto, it should be borne in mind that, according to Act, the reserve is not now entirely available, 4351-4356——Respect in which the restrictions of the Act may be said to check legitimate trade and enterprise, 4357-4359.

Amsterdam Bank. Similar constitution of the banks of Hamburgh and Amsterdam as of the Bank of England adverted to in connection with their means of accommodating the public, *Mill* 2110-2118. 2138-2140——Absence of economy or advantage if, as in the the case of the Hamburgh and Amsterdam banks, it were necessary that every note should be represented by bullion, *ib.* 2218-2220.

Arbuthnot, Mr. Reference to a pamphlet by Mr. Arbuthnot, and to some remarks therein, upon the crisis of 1825; strong recommendation of this pamphlet to the notice of the Committee, *Right Hon. Lord Overstone* 4182.

Artificial Regulation of the Currency. There is practically no artificial regulation of the currency by the Act of 1844; witness is strongly opposed to any action upon the currency save the action of natural laws, *Norman* 3454-3457. 3516. 3589-3591——Under any artificial regulation the contraction would in all probability be less regular and more mischievous, *ib.* 3516-3519. 3610.

Reference to the present monetary system as being highly artificial, *Chapman* 5173. 5329.

Audit Roll (*Payment of Dividends*). Practice quarterly in making up the audit roll for the payment of the dividends; exception taken to the rule of the Government hereon in supplying the audit roll to the Bank from day to day, *Weguelin* 145-154.

Averages (*Country Circulation*). See *Country Banks*, VI.

B.

Bank of France. Efflux of gold from this country in consequence of the premium given thereon by the Bank of France, *Weguelin* 24, 24*——Purchase of bullion by the Bank of France by means of existing bills upon England; nugatory character of the transaction, *ib.* 563-575——The Bank of France is an example how a circulation is extended and maintained through the medium of banking operations, *ib.* 809——Large bullion reserves of the Bank of France during the late war, although there is no statutory obligation as to the proportion of its reserves, *ib.* 1226-1231——Belief that the Bank is limited to a maximum rate of six per cent. discount, *ib.* 1233——Restriction placed by the Bank upon the terms of loans on bills, *ib.* 1234-1236.

Inference from the absence of legislative limits upon the reserve or the issues of the Bank of France, *Newmarch* 1674-1679——Notwithstanding the free power of action of the Bank, it amply proves its obligation to protect its reserve, *ib.* 1676, 1677——Temporary character of the expedients adopted by the Bank for keeping up its reserve of bullion, *ib.* 1705-1715——Although the Bank has purchased from 80,000,000 *l.* to 100,000,000 *l.* of gold during the last two or three years its reserve is lower now than when it commenced to purchase, *ib.* 1713-1715.

The practice of the Bank of France is an illustration of the unsoundness of the principle of a fixed minimum or maximum rate of interest, *Hubbard* 2370——Contradiction and failure involved in the recent operations of the Bank in giving a premium for gold, *ib.* 2838, 2839.

Consideration of, and strong objection to, the course adopted by the Bank of France during the last few years with a view to the non-suspension of specie payments, *Right Hon. Lord Overstone* 4097-4104. 4118, 4119——Expense to the community in France in consequence of the artificial means adopted for keeping up the store of bullion, and the convertibility of the paper money, *ib.* 4105-4111.

Bank of Ireland. Suggestion by Mr. B. B. Greene that the notes of the Bank of Ireland be made a legal tender in Ireland, *App. p.* 19.

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Bank of Ireland—continued.

Return of the circulation of the Bank of Ireland in each month from September 1833 to April 1857, *App. p.* 148–152.

Account of the aggregate weekly circulation of notes of the Bank of Ireland, from the 19th October 1844 to the 9th May 1857, *App. p.* 214–232.

Statement submitted to the Chancellor of the Exchequer by the governors and directors of the Bank of Ireland, relating to the several matters brought under his notice by the deputation at their recent interview with him in London, *App. p.* 344, 345.

Argument in favour of the removal of the restriction against lending money on mortgage, as created by the 7th section of the Act 21 & 22 Geo. 3, c. 16, under which the Bank of Ireland was established, *App. p.* 344.

It is submitted by the governors and directors that the Bank of Ireland and other Irish banks of issue having paid or retired their notes at any of their branches other than those where they are by law bound to retire them, should have liberty to re-issue such notes at whatever office they may have been paid, *App. p.* 344.

The governors and directors submit the necessity for some alteration in the law for the protection of the bank against fraud in dealing with corporations who act under seal, *App. p.* 344, 345.

Bank Post Bills. Bank post bills form a species of circulation, and are not classed as deposits, *Weguelin* 632, 633.

Bank of Scotland. Statement by Mr. Blair, manager of the Bank of Scotland, that the Act of 1845 has been inoperative as regards the bank, with the exception of the expense of the additional reserve of gold, *App. p.* 328, 329.

Particulars as to the amount of capital, &c., and of the authorised and actual circulation of the Bank of Scotland in April 1857, *App. p.* 333.

Banking Department (Bank of England). Practically, the bank note is not a legal tender on the part of the Banking Department, *Neave* 1146, 1147. 1158——Argument that the Act intended that notes should be a legal tender in the Banking Department, *Weguelin* 1147–1155. 1158—— Practice of the Banking Department to pay cheques in notes, which are exchangeable in the Issue Department, *ib.* 1149–1153. 1253–1256——Gold cannot be demanded for notes from the Banking Department, but can be demanded from the Issue Department, *ib.* 1149–1153. 1253–1256.

In regard to the liability of the Bank for its notes, the question of legal tender should not be considered as affecting the matter, *Newmarch* 2008.

Grounds for the conclusion that the Bank of England note is a legal tender in the Banking Department, *Hubbard* 2414–2420. 2649–2651——Practice of the Bank to pay its depositors in notes, as being a legal tender in the Banking Department, and subsequently to pay its notes in gold in the Issue Department, *ib.* 2645–2653.

The Banking Department of the Bank of England is, as regards the payment of bank notes, precisely in the same position as a private bank, *Norman* 2964–2967. 2988–2993. 3260–3262. 3547–3555——Notes are a legal tender not only in the case of ordinary bankers, but of the Banking Department, the Issue Department being liable in each case for payment of the notes in gold, *ib.* 2966, 2967. 3269–3285.

Examination to the effect that the notes in the Banking Department represent a similar amount in bullion in the Issue Department, but only in the same way that the notes in the hands of any private banker represent a portion of the bullion in the Issue Department, *Norman* 3228–3255. 3547–3550——The Banking Department holds some coin for the convenience of its customers just as other banks do, and meets its liabilities (as witness further maintains) on precisely the same principle as other bankers, *ib.* 3458–3472.

In principle the note is, or ought to be, a legal tender in the Banking Department, *Right Hon. Lord Overstone* 3946–3951. 4150–4153——By established usage the note is now a legal tender in the department, *ib.* 3947. 4150, 4151——Practically it is quite immaterial whether the note be a legal tender in the Banking Department or not, *ib.* 3950, 3951.

In speaking of the Bank of England, witness always means the Banking Department, *Right Hon. Lord Overstone* 3951——There is, strictly, no bullion in the Bank of England, *ib.* 3952. 3960–3964—— The Bank of England, that is, the Banking Department, is only an ordinary banking concern on a large scale, *ib.* 4149.

See also *Accounts. Circulation (Paper Currency). Claim of Depositors and of Note-holders. Deposits (Bank of England). Discretionary Issue. Issue Department. Management and Direction (Bank of England). Reserve of Bullion (Issue Department). Reserve of Notes and Bullion (Banking Department). Separation of Issue and Banking Departments.*

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Banking Operations. Perfect freedom of competition should be established in the business of banking, as effectually distinguished from the functions of coining or of issuing paper tokens, *Right Hon. Lord Overstone* 3648——Practice of bankers to supply to persons in want of capital, even though they may not have tangible security to give, the deposits of the inactive accumulators of capital, *ib.* 3762–3766.

Increasing practice of country bankers to send dormant money to London for investment; such money being in turn supplied in discount to the manufacturing districts, *Chapman* 5097–5101.

Strong objections urged by the commercial community at Glasgow to the restrictions upon banking in the Acts of 1844 and 1845, *App. p.* 359. 361, 362.

See also *Country Banks.*

Barnard & Son (*Bedford*). Memorial of these bankers, suggesting that the time permitted for taking the averages of the circulation be extended from one month to six months, and the year divided into two periods of six months each; and requesting to be put upon the same footing as the Scotch and Irish banks in regard to issue, *App. p.* 351.

Barter. A state of barter is at the bottom of all commercial transactions, money being only a means of carrying on that barter, *Right Hon. Lord Overstone* 3790-3792.

Bassett, Son, & Harris (*Leighton Bussard*). Memorial of these bankers, suggesting that the time permitted for taking the averages of the circulation be extended from one month to six months, and the year divided into two periods of six months each, and requesting to be put upon the same footing as the Scotch and Irish banks in regard to issue, *App. p.* 351.

Bills of Exchange. As regards the variation in the amount of circulation of bank notes and of bills of exchange, witness has investigated the matter, and finds that there is no connexion between the two, but that the bill circulation increases as the rate of discount rises; tabular statement hereon laid before the Committee, *Newmarch* 1426 and *App. p.* 324–327——Reasons for the increase in the circulation of bills of exchange when the rate of discount rises, *Newmarch* 1519–1525.

Absence of similar relation between bills of exchange and the stock of the merchant who draws them, and between bank notes and the bullion which they represent, *Right Hon. Lord Overstone* 3738–3742——Statement as to the expediency of a power at all times to convert undoubted bills of exchange, *Chapman* 5008, 5009. 5176–5179. 5329. 5333, 5338, 5339——Good bills of exchange are the best security for a banker or money-dealer, *ib.* 5106–5108. 5115, 5116. 5197——Dissent from Mr. Leathem's estimate of 200,000,000 *l.* as the amount floating as bills of exchange; estimate of from 100,000,000 *l.* to 120,000,000 *l.* as much nearer the mark, *ib.* 5271–5283.

Account of the average circulation of twenty-one days and seven days bills at the several branches of the Bank of England, in each year from 1832 to 1847, *App. p.* 24——Account of the average circulation of seven days and other bills at the several branches of the Bank of England, in each year from 1848 to 1856, both inclusive, *ib.* 25.

Weekly statement of the circulation of seven days and other bills during the year 1847, distinguishing the amount from each branch bank, *App. p.* 28, 29——Similar weekly statement during the year 1856, *ib.* 30, 31.

Return of the several rates at which the Bank has discounted bills of exchange, together with the weekly amount of money discounted under each rate, from the week ending the 1st January 1848 to the week ending the 27th December 1856, both inclusive, *App. p.* 68–81.

Account of the seven day and other bills held by the Banking Department, as published weekly in the "Gazette," since the passing of the Act 7 & 8 Vict. c. 32, from the 31st August 1844 to the 25th December 1847, *App. p.* 94–99——Similar account for each week from the 1st January 1848 to the 27th December 1856, *ib.* 100–113.

Account of the total amount of bills discounted by the Bank, from the last day of each week from the 7th September 1844 to the 24th December 1847, *App. p.* 114–119——Similar account, from the last day of each week from the 1st January 1848 to the 27th December 1856, *ib.* 120–135.

Return of the stamp duty on bills of exchange of each denomination in England, Scotland, Ireland, and the United Kingdom, distinguishing the principal commercial and manufacturing districts in the former country, from 1844 to 1856, *App. p.* 310–323.

Statement of the total amounts in bills of exchange (inland bills) drawn or created in England and Wales, during each quarter of the twenty-four years 1830 to 1853, distinguishing the three groups of small, medium, and large bills, with a collateral column of the rate of interest in London on first-class bills during each quarter, and also of the average circulation in each quarter of the notes of the Bank of England, and of the notes of private and joint-stock banks of England and Wales, *App. p.* 324–326——Explanations by Mr. Newmarch on the foregoing statement, *ib.* 326, 327.

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Birkbeck, Charles, &c. (*Settle*). Memorial from these bankers praying to be put on the same footing as Scotch and Irish banks in regard to the issue of notes, *App. p.* 347.

Birmingham Branch (*Bank of England*). Account of the average circulation of twenty-one days and seven days bills in each year, from 1832 to 1847, *App. p.* 24——Account of the average circulation of seven days and other bills in each year, from 1848 to 1856, *ib.* 25.

Account of the average circulation of branch bank notes in each year, from 1832 to 1847, both inclusive, *App. p.* 26——Similar account for each year, from 1848 to 1856, *ib.* 27.

Weekly statement of the circulation of twenty-one and seven days bills, during the year 1847, *App. p.* 28, 29——Similar statement for the year 1856, *ib.* 30, 31.

Weekly statement of the circulation of branch bank notes during the year 1847, *App. p.* 32, 33——Similar statement for the year 1856, *ib.* 34, 35.

Birmingham Chamber of Commerce. Petition of the Chamber of Commerce, Birmingham, with a view to certain alterations in the Act of 1844, *App.* 355.

Blair, Alexander. Letter from Mr. Alexander Blair, manager of the Bank of Scotland, to Sir G. C. Lewis, dated the 25th November 1856, stating that the Act of 1845 has been inoperative as regards the bank, with the exception of the expense of the additional reserve of gold, *App. p.* 328, 329.

Comment in this letter upon the 10th section of the Bank Charter Act of 1844, as having produced an effect extremely unfavourable to the prosperity of Scotland, *App. p.* 328, 329——Comment also upon the limit to the issues by the Bank upon securities, *ib.*——Advantage if the bank held an increased reserve, *ib.*——Unfavourable working of the system of publication of the Bank accounts, *ib.*

Blake, Henry Wollaston. Letter from Mr. Blake to the Governor of the Bank of England, dated the 5th November 1856, in decided approval of the Act of 1844, and recommending, as regards the Acts of 1845, that the issue of notes under 5*l.* be abolished or diminished, and that the Bank of England note be made a legal tender throughout the United Kingdom, *App. p.* 17, 18.

Branch Banks (*Bank of England*). Witness does not contemplate any issuing branches to the Bank of England, if that be the only bank of issue, *Hubbard* 2710, 2714.

Account of the average circulation of twenty-one days and seven days bills in each year from 1832 to 1847, both inclusive; distinguishing the amount from each branch bank, *App. p.* 24——Account of the average circulation of seven days and other bills in each year from 1848 to 1856 both inclusive; distinguishing the amounts from each branch, *ib.* 25.

Accounts of the average circulation of branch bank notes in each year from 1832 to 1847 inclusive, distinguishing the amount from each branch, *App. p.* 26——Similar accounts for each year from 1848 to 1856, *ib.* 27.

Weekly statement of the circulation of seven days and other bills during the year 1847; distinguishing the amounts from each branch, *App. p.* 28, 29——Similar weekly statement during the year 1856, *ib.* 30, 31.

Weekly statement of the circulation of branch bank notes during the year 1847; distinguishing the amount from each branch, *App. p.* 32, 33——Similar weekly statement during the year 1856, *ib.* 34, 35.

Monthly statement of the gold coin sent to and received from the branches of the Bank of England, from the 1st January 1848 to the 31st December 1856, *App. p.* 289.

Bristol Branch (*Bank of England*). Account of the average circulation of twenty-one days and seven days bills in each year, from 1832 to 1847, *App. p.* 24——Account of the average circulation of seven days and other bills in each year from 1848 to 1856, *ib.* 25.

Account of the average circulation of branch bank notes in each year from 1832 to 1847 both inclusive, *App. p.* 26——Similar account for each year from 1848 to 1857, *ib.* 27.

Weekly statement of the circulation of twenty-one and seven days bills during the year 1847, *App. p.* 28, 29——Similar statement during the year 1856, *ib.* 30, 31.

Weekly statement of the circulation of branch bank notes during the year 1847, *App. p.* 32, 33——Similar statement for the year 1856, *ib.* 34, 35.

British Linen Company. Statement by Mr. T. Corrie, on the part of the British Linen Company Bank, in approval of all the provisions of the Act 8 & 9 Vict. c. 38, and recommending that it be continued unaltered, *App. p.* 330.

Particulars as to the amount of capital, &c., and of the authorised and actual circulation in April 1857, *App. p.* 333.

Bromage, Snead, & Snead (*Chepstow*). Petition of these bankers praying for certain alterations in the Act of 1844, *App. p.* 356, 357.

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Building Trade. Particulars respectively as to the present system and the system 30 or 40 years ago of carrying on buildings in London as regards the financial part of the matter; speculative character of the building trade now-a-days as compared with the moderation and prudence which formerly characrised it, *Capps* 5412–5417. 5431–5439. 5509–5520.

Prejudicial effect of the present currency laws upon legitimate building undertakings; the frequent fluctuations caused by those laws in the value of money render the completion of undertakings very uncertain and hazardous, and are a bar to moderate profits, *Capps* 5418, 5419. 5424, 5425. 5430. 5435–5440. 5466–5468. 5508. 5520–5527—— Witness does not want to secure by legislation to the building trade or any other trade the use of money at a rate not greater than 5 per cent., *ib.* 5425–5429.

Bullion, Purchase of. Profit of from 20,000 *l.* to 40,000 *l.* a year derived by the Bank upon bullion and foreign coin, *Weguelin* 140. 142——The profit of from 20,000 *l.* to 40,000 *l.* a year on bullion and foreign coin is entirely irrespective of the issue of notes, though it comes under the profit of the Issue Department, *ib.* 359, 360——Way in which the profit on bullion accrues, *ib.* 361–363——The Bank buys gold at 77 *s.* 9 *d.* an ounce, and issues sovereigns at 77 *s.* 10½ *d.*, *ib.* 361.

Suggestion that it should not be imperative upon the Bank to purchase all the gold brought into the country; ill effect of their doing so when gold is abundant, *Twells* 4598–4602. 4809.

Recommendation by Mr. Dobree that the Bank be relieved from the obligation of buying all gold bullion, *App p.* 22.

Monthly statement of bullion bought and sold by the Bank of England, distinguishing gold from silver bullion, from the 1st of January 1832 to 31st December 1847, *App.* p. 82–85—— Similar statement for each month from 1st January 1848 to 31st December 1856, *ib.* 86, 87.

Bullion Reserve (Issue Department):

1. *Main Importance of Attention to the State of the Reserve.*
2. *Anxiety of the Public in regard to the Reserve.*
3. *Increased Reserves since* 1844; *how far owing to the Act.*
4. *Proposition for a largely increased Reserve; Objections thereto.*
5. *Particulars as to the Amount of the Reserve at different Periods.*
6. *Other Evidence generally.*

1. *Main Importance of Attention to the State of the Reserve:*

In the management of the Bank the main thing to look to is the proportion of unemployed bullion, *Weguelin* 620–626. 1164, 1165; *Hubbard* 2767——Bank notes not being a legal tender by the Bank, it is essential that the reserve should consist of gold, *Weguelin* 634–641—— Witness decidedly objects to any issue of notes by the Bank of England or any other bank unless there be an ample reserve of gold in the one case, and of Bank of England notes or gold in the other case, wherewith to pay the notes of issue, *ib.* 1331.

Any permanent scheme should be accompanied by some provision for keeping a reserve of bullion sufficient to meet unforeseen contingencies, *Hubbard* 2744——The security of our monetary system depends upon the maintenance of the reserve, *Right Hon. Lord Overstone* 4014.

Any provision for an occasional enlargement of the circulation must still have reference to the bullion, *Chapman* 4905——Essential importance of contracting the currency when the bullion falls; suggestions for a compulsory action hereon, *ib.* 4938. 4978 *et seq.*

Remarks by Mr. Weguelin, in letter of 10th November 1856, upon the expediency under any system of issue of keeping up a certain metallic reserve, *App. p.* 2.

2. *Anxiety of the Public in regard to the Reserve:*

Belief that the public, generally, have not felt anxious as to the state of the reserve, since the Act of 1844, *Weguelin* 35——Any wrong inferences drawn by the public in regard to the diminution of the bullion do not justify any alteration in the Act, *ib.* 61–63——Natural anxiety of money-dealers and the public when they see that the reserve of the Bank is diminishing, *Right Hon. Lord Overstone* 3838–3840; *Chapman* 5302—— The earliest warning should be given to the public of a falling bullion, *Chapman* 4975–4977. 5006. 5014. 5057–5061.

3. *Increased Reserve since* 1844; *how far owing to the Act:*

Favourable working of the Act shown by the fact that the stock of bullion was never less than nine millions and a-half in 1856, whereas in 1825 it was reduced to 1,261,000 *l.*, and in 1839 to 2,406,000 *l.*, *Weguelin* 25–29——With a view to ensuring the convertibility of the note, the Act of 1844 has compelled the Bank to keep a larger amount of bullion than previously; no reserve having formerly been required against the circulation, *ib.* 877, 878. 889, 890——The comparatively large reserves of bullion held by the Bank since 1844 are attributable to discretion in the management, and not to the restric-

Report, 1857—*continued.*

Bullion Reserve (Issue Department)—continued.

3. *Increased Reserve since* 1844; *how far owing to the Act*—continued.

tions in the Act; without the Act there would be the same obligation felt to retain a sufficient reserve of bullion, *Weguelin* 1222–1232.

Opinion that the reserve of gold being greater since 1844 is in consequence of the Act, *Neave* 1224.

The large bullion reserves of the Bank, since 1844, are attributable to the influx of gold from Australia, &c., and not to the operation of the Bank Charter Act, *Newmarch* 1348–1354. 1427–1429. 1508, 1509——Further statement in support of the opinion that the larger reserve of bullion in the Bank at different periods since 1844 is not owing to the Act of that year, *ib.* 1716–1726——Increase on the whole in the reserve of bullion in 1855 and 1856 as compared with 1843 and 1844, *ib.* 1907–1911.

Doubt whether the operation of the Act has caused the larger reserve which the Bank has held since 1844, *Mill* 2022–2026——Causes independently of the Act which may account for the larger reserve since 1844, *ib.* 2023, 2024——Large amount of bullion in the Bank in 1844 before the Act came into operation, *ib.* 2206–2209.

Grounds for concluding that the practical effect of the Act has been largely to increase the reserve of bullion in the Bank, *Hubbard* 2341–2347——Since 1844 it has been almost impracticable to reduce the reserve under 8,000,000 *l.*, *ib.* 2343, 2344——Beneficial operation of the Act in causing a larger reserve, *ib.* 2644. 2682——In limiting the amount of credit issue the Act of 1844 necessarily provides in practice, though not in law, for a reserve of bullion, *ib.* 2728–2732. 2739–2741——Under the Act of 1844 it is almost impossible for the bullion reserve to be reduced to 2,000,000 *l.*, *ib.* 2797.

Belief that the larger bullion reserve of the Bank since 1844 has been mainly owing to the Act of that year, *Norman* 2877–2887——Portion probably due to the gold discoveries and imports, *ib.* 2883–2887.

Effectual protection of the bullion reserve under the operation of the Act, as shown in the drains of 1847 and 1856–7; *Right Hon. Lord Overstone* 3648——Denial that the imports of gold from California and Australia are the cause of the increased reserve, *ib.* —— Explanation of the mode in which the Act necessarily provides against undue reduction in the amount of bullion, *ib.* 3649–3651.

The gold discoveries have largely been the cause of the increased bullion reserve, *Twells* 4591; *Chapman* 5310–5314.

4. *Proposition for a largely increased Reserve; Objections thereto:*

Concurrence in Mr. Tooke's view that the Bank should hold a reserve in bullion of not less than 10,000,000 *l.* or 12,000,000 *l.*, to be determined upon a principle of an average of years, *Newmarch* 1368–1392——An arrangement for a larger average store of bullion as proposed by Mr. Tooke, should involve compensation to the Bank, *ib.* 1369. 1382. 1489——Advantage of an arrangement like the foregoing being settled between the Government and the Bank, and not defined by Act of Parliament, *ib.* 1368. 1378–1392 ——The amount of bullion which witness suggests that the Bank should hold, would form a portion of the assets, and would be a guarantee equally for the deposits and the circulation, *ib.* 1490–1493——The maintenance of a certain amount of bullion in proportion to the total liabilities might be effected by the Bank not reducing its rate of interest below a certain point, such as four per cent.; explanation hereon, *ib.* 1494–1507.

Preference given to Mr. Tooke's proposition for an average reserve of 12,000,000 *l.*, as compared with the existing practice, *Mill* 2012–2019——There should be some understanding as to the reserve of bullion to be held; the sum specified might be from 10,000,000 *l.* to 12,000,000 *l.*, *ib.* 2072. 2075. 2185.

Recommendation by Mr. Blair, manager of the Bank of Scotland, that the Bank should hold an additional reserve of 3,000,000 *l.*, *App. p.* 329.

Inexpediency of a system of compensation to the Bank, with a view to the maintenance of an increased reserve to meet any subsequent pressure, *Weguelin* 265–268.

Arguments opposed to the proposition of Mr. Tooke and Mr. Newmarch, that the Bank should keep an average of about 10,000,000 *l.* or 12,000,000 *l.* in bullion, without a limit upon issue, *Hubbard* 2349–2353——The plan of Mr. Tooke would be very costly and cumbrous, without obtaining any useful object, *ib.* 2349, 2350——Inadequacy of a stipulated amount of reserve as a means sufficient of itself to meet the pressure of 1847, or of the late war, *ib.* 2393–2396.

Witness totally dissents from the doctrine, that if the Bank held a certain large amount of bullion, a drain upon it may be suffered to run its course without doing any mischief, *Norman* 3516–3519.

5. *Particulars as to the Amount of the Reserve at different Periods:*

Return of the lowest amount of bullion in the Bank in the years 1825, 1837, 1839, 1847, and 1856; the lowest amount was 1,261,000 *l.* in 1825, *App. p.* 89.

Account

Report, 1857—*continued.*

Bullion Reserve (*Issue Department*)—continued.

5. *Particulars as to the Amount of the Reserve at different Periods*—continued.

Account of the amount of all bullion held by the Bank on the 28th February and 31st August in each year, from 1778 to 1847 inclusive, *App. p.* 90–92——Similar account for each year from 1848 to 1856, *ib.* 93.

Account of the gold coin and bullion and of the silver bullion of the Issue Department as published weekly in the "Gazette," since the passing of the Act 7 & 8 Vict., c. 32, from 31st August 1844 to 25th December 1847, *App. p.* 94–99——Similar account for each week, from 1st January 1848 to 27th December 1856, *ib.* 100–113.

Account of the total amount of bullion in the Bank on the last day of each week, from 7th September 1844 to 24th December 1847, *App. p.* 114–119——Similar account from the last day of each week, from the 1st January 1848 to 27th December 1856, *ib.* 120–135.

Account of the total amount of bullion held by the Bank of England, from the last day of each week, from the 7th September 1844 to the 27th December 1856, *App. p.* 136–147.

Amount of bullion in the Bank in each month, from September 1833 to April 1857, *App. p.* 148–152.

Total of 10,343,710 *l.* as the bullion in the Bank, on the 28th February 1857, *App. p.* 233.

Table showing the amount of bullion in the Bank of England, the market-rate of discount for good bills of exchange, and the prices of fifteen principal articles of commerce at the beginning of the months of March, June, September and December, from March 1834 to December 1843, *App. p.* 290——Similar account from March 1844 to December 1853, *ib.* 291.

Return of the bullion in the Bank on each Saturday during the drain of 1846–47, and during the period of pressure, from the autumn of 1853 to the summer of 1857, *App. p.* 302–305.

6. *Other Evidence generally*:

As a rule, variations in the bullion depends upon variations in the advances upon securities, *Weguelin* 1125–1128——The whole object of the Act of 1844 would probably be gained if the Bank were required to keep a certain amount of bullion in proportion to its circulation and deposits, *ib.* 1166, 1167.

Disapproval of a certain amount of bullion being specially set aside as a guarantee for the circulation, *Newmarch* 1344–1347——The reserve of the Bank of England stands in a very different position towards the public from what the reserve of a private bank does, *ib.* 1364. 1415. 1440——Government should not interfere with the discretion of the Bank in regard to its reserve, &c., *ib.* 1486–1488. 1541–1547——As a general rule the Bank may be said to be passive in regard to any decrease or increase of the bullion reserve, *ib.* 1497——The notes in the banking department witness always looks upon as constituting the bullion reserve, *ib.* 2004.

Necessity of clearly distinguishing between the issue and Banking Departments in considering the effect of the Act upon the reserve of bullion, *Mill* 2021, 2022. 2026——mischievous operation of the Act in requiring, for the sake of safety, a larger reserve than the Bank has at times held, *ib.* 2022. 2026. 2032–2034. 2292–2297.

But for the provision of the law compelling the Bank to issue upon bullion when the notes are in excess of a certain quantity, the note reserve in the Bank would be altogether an independent quantity, *Hubbard* 2332–2338——It is possible, under the Act of 1844, that there might not be 1 *l.* of bullion in the issue department, *ib.* 2526. 2739. 2760——Causes of fluctuation in the bullion; the cashment of debts due by foreign countries tends to an increase in the bullion, *ib.* 2560–2566——The reserve of the Bank is dependent on the discretion with which the business is conducted, but the bullion in the issue department is not dependent on the same discretion, *ib.* 2682–2685.

In the event of so very improbable a contingency as a reduction of the circulation to 14,475,000 *l.*, the Bank would doubtless still keep a reserve of bullion in order to maintain the convertibility of the note, *Hubbard* 2739–2746——Reference to a suggestion by witness, fourteen years ago, with a view to retaining a sufficient proportion of bullion to the entire currency, under certain contingencies, producing a diminished currency on an enlarged currency, *ib.* 2744.

In the case of a purely metallic currency, and equally in the case of mixed currency, witness would consider the bullion reserve in the Bank as part of the currency on "money" of the country, *Hubbard* 3209–3216.

As regards the reserve of bullion it cannot be said to lie in the Bank of England, but in the Issue Department, which is essentially a department of the State, *Right Hon. Lord Overstone* 3649. 4168, 4169——The bullion in the Issue Department cannot, as

Report, 1857—*continued.*

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Increase in the amount respectively of 5*l.* notes and 10*l.* notes in circulation since 1851, *Weguelin* 46-50——Causes of the increase in the circulation of the 5*l.* note and the sovereign, *Weguelin* and *Neave* 52, 53——The circulation of silver and copper, as well as of notes and gold, has doubtless much increased, *Weguelin* 55——Larger quantity of gold and silver employed since 1853, *ib.* 1325-1329——Increase of 2,000,000*l.* in the circulation of 5*l.* and 10*l.* notes, *Hubbard* 2593.

5. Decreased Circulation of the larger Notes:

Diminution during recent years in the circulation of notes above 20*l.*, more especially in the notes from 200*l.* upwards; causes thereof, *Weguelin* 96-103. 1325-1329——Explanation as to there having been a decrease within the last five years to the extent of 2,000,000*l.* in the circulation of the larger denomination of Bank notes, and an equal increase in the circulation of notes of 5*l.* and 10*l.*, *Hubbard* 2593.

6. Notes of the Branch Banks:

Account of the average circulation of branch bank notes in each year from 1832 to 1847, both inclusive, distinguishing the amount from each branch bank, *App. p.* 26——Similar account for each year from 1848 to 1856, *ib.* 27.

Weekly

Report, 1857—*continued.*

Circulation (Paper Currency)—continued.

I. *Bank of England*—continued.

6. Notes of the Branch Banks—*continued.*

Weekly statement of the circulation of branch bank notes during the year 1847, distinguishing the amount from each branch bank, *App. p.* 32, 33——Similar weekly statement during the year 1856, *ib.* 34, 35.

The increase in the country circulation, between 1851 and 1854, amounted to 1,000,000 *l.*, or about one-sixth; this increase was accompanied by an increase in the consumption of notes of all denominations; at the branches, of about one-fourth; increase respectively in the smaller and larger denomination of notes, *App. p.* 292.

7. Bills of Exchange, Branch Banks:

Account of the average circulation of twenty-one days' and seven days' bills, at the several branches of the Bank of England, in each year from 1832 to 1847, *App. p.* 24—— Similar account for each year from 1848 to 1856, both inclusive, *ib.* 25.

Weekly statement of the circulation of seven days' and other bills, during the year 1847; distinguishing the amount from each branch bank, *App. p.* 28, 29——Similar weekly statement during the year 1856, *ib.* 30, 31.

8. Accounts and Papers laid before the Committee:

Account of the amount of the circulation of the Bank on the 28th February and the 31st August, in each year from 1778 to 1847, inclusive, *App. p.* 90–92—— Similar account for each year from 1848 to 1856, *ib.* 93.

Account of the notes of the Bank of England, as published weekly in the "Gazette," since the passing of the Act 7 & 8 Vict. c. 32, from 31st August 1844 to 25th December 1847, *App. p.* 94–99——Similar account for each week from 1st January 1848 to 27th December 1856, *ib.* 100–113.

Account of bank notes of the Bank of England held by the public, and of notes held in reserve by the Bank of England, from the last day of each week from the 7th September 1844 to the 24th December 1847, *App. p.* 114–119——Similar account from the last day of each week from the 1st January 1848 to the 27th December 1856, *ib.* 120–135.

Account of bank notes of the Bank of England held by the public, and of bank notes of the Bank of England held in reserve by the Bank, from the last day of each week from the 7th September 1844 to the 27th December 1856, *App. p.* 136–147.

Return of the circulation of the Bank of England, in each month from September 1833 to April 1857, *App. p.* 148–152.

Account of the amount of the notes of the Bank of England in circulation on the 28th February 1857; total of 19,340,290 *l.*, *App. p.* 233.

Account of the number of Bank of England Notes cancelled, and of the average amount held by the public; also of the average number of days each note remained in circulation in the year 1831, and from 1844 to 1856, inclusive, *App. p.* 300, 301.

Calculation, as far as it could be made out, of the average number of days a bank note of each denomination remained in circulation in the years 1792 and 1818, presented to the Houses of Parliament in 1819, and here inserted for comparison with the foregoing, *App. p.* 301.

II. *Bank of Ireland:*

Return of the circulation of the Bank of Ireland in each month, from September 1833 to April 1857, *App. p.* 148–152.

III. *Country Banks:*

1. Term "Circulation" defined:

By the circulation of a country bank, witness means the amount of notes in the hands of the public, *Weguelin* 707–711——As a matter of principle, the unissued notes of country banks must be looked upon as part of the circulation, *Right Hon. Lord Overstone* 3973–3975.

2. Amount at different Periods:

Probability of the circulation of country banks having decreased between 1819 and 1842, *Weguelin* 1039–1044——Remarks on the circumstance of there having been a decrease of about 1,000,000 *l.* in the circulation of the Bank of England in 1836, and a corresponding increase in circulation of other banks, *Neave* 1058–1076——Circumstance of there having been an increase of nearly 3,000,000 *l.* in the country bank circulation between 1833 and 1836, *Weguelin* 1308–1311.

Average note circulation of Scotland and Ireland in different years since 1844; increase in the notes of small denomination, *Mewmarch* 1752–1760——Circumstance of there having been a considerable increase in the country circulation in the years 1834–36, *ib.* 1805–1818.

Report, 1857—*continued.*

CIRCULATION (PAPER CURRENCY)—continued.

III. *Country Banks*—continued.

3. Papers laid before the Committee:

Return of the circulation of private banks and joint stock banks in England, Ireland and Scotland, in each month, from September 1833 to April 1857, *App. p.* 148–152.

Accounts of the aggregate daily circulation of banks of issue in England and Wales from the 15th of October 1844 to the 9th May 1857, *App. p.* 153–181.

Return showing the authorized issues of the notes of the private and joint stock banks in England and Wales, and the actual amount issued; also the authorized issues of the banks in Scotland and Ireland, the actual amounts issued, and the amounts of bullion held by these banks respectively, in each week since the passing of the Acts of the 7 & 8 Vict. c. 32, and 8 & 9 Vict. c. 37 and 38, to the 9th May 1857, *App. p.* 182–203.

Account of the aggregate weekly circulation of the notes of banks of issue in Scotland and Ireland, distinguishing those of 5 *l.* and upwards, and those under 5 *l.*, and showing the total amount in Scotland and Ireland respectively, with the amount of bullion held from the 13th December 1845 to the 9th May 1857, *App. p.* 204–213.

Account of the aggregate weekly circulation of bank notes in the United Kingdom, distinguishing those of the Bank of England in the hands of the public, and the issues of other banks in England, Scotland and Ireland, from the 19th October 1844 to 1857, *App. p.* 214–232.

IV. *Generally:*

1. Aggregate Circulation in 1834, 1844 and 1855:

The total note circulation of the United Kingdom in 1834, was 37,500,000 *l.*; in 1844, 38,340,000 *l.*; and in 1855, 39,000,000 *l.*, *Newmarch* 1741–1745.

2. Greater Economy of the Circulation of late Years:

Considerable economy of the circulation in consequence of increased banking facilities, *Weguelin* 966. 985——In 1831 a 5 *l.* note remained in circulation for 115 days, and now it remains only 70 days, *ib.* 985——Economising expedients adopted since 1851 which have tended to reduce the circulation, *Hubbard* 2593. 2754. 2756——A large rate of interest may have some effect in causing people to economise their currency, *ib.* 2657. 2661, 2662. 2755–2757.

3. Fluctuation respectively of a Mixed Circulation and of a Metallic Circulation:

So long as the note is convertible, the paper circulation must fluctuate in the same way that a metallic circulation would fluctuate, *Weguelin* 766–770——During the speculation of 1845 the fluctuations in banking matters were just the same as if the circulation had been purely metallic, *Newmarch* 1605–1612——The present mixed circulation acts in just the same way as a metallic circulation, *ib.* 1964. 1986.

The effect of the Act as causing the circulation to fluctuate like a purely metallic circulation is not of any importance, *Mill* 2293, 2294——A convertible and unrestricted paper currency of the permanent value of a metallic currency would not be liable to the same fluctuation as the latter, and would admit of greater accommodation to the public, *ib.* 2295–2298. 2302, 2303.

The variation in circulation would be just the same if the currency were purely metallic, *Hubbard* 2654.

After the experience of 1837 and 1839, as well as of 1825, witness cannot conceive how it can be maintained that a mixed circulation of gold and convertible notes must necessarily vary in the same way as a purely metallic circulation, *Norman* 3431–3435. 3495–3514.

Effectual security under the Acts of 1844, that the paper circulation shall at all times conform to what would be the amount of a metallic circulation, *Right Hon. Lord Overstone* 3648——Bank notes, including those in the Bank of England, should fluctuate exactly as the bullion fluctuates, *ib.* 3899, 3900——Necessity of the quantity of notes with the public varying in relation to the metallic currency, on account of the cancelling of those notes, in respect of which bullion is taken from the issue department, *ib.* 3930–3934——Refutation of the doctrine that a mixed currency of paper and gold must of necessity vary as a metallic currency would vary, *ib.* 4188.

Unsoundness of the principle of the Act of 1844, that the mixed currency shall fluctuate precisely as a metallic currency, *Capps* 5442–5445. 5498–5501.

Reference by the Birmingham Chamber of Commerce to the greater and more frequent fluctuations in the amount of the circulation and the value of money since the passing of the Act, *App. p.* 355.

4. Absence

Report, 1857—*continued.*

Circulation (Paper Currency)—continued.

IV. *Generally*—continued.

4. Absence of Power in Banks of Issue to affect the Aggregate Circulation:

Evidence to the effect that the country issuers cannot at their will either increase or decrease the active circulation, *Weguelin* 712-746——Absence of any material increase in the circulation, in consequence of the establishment of joint stock banks in 1831 and following years, *ib.* 719-729——The Bank of England has no means of materially contracting its circulation, *ib.* 746, 747. 757-770——Practically it appears that country banks cannot, any more than the Bank of England, increase their issues or circulation at their own will, *ib.* 955, *et seq.*

Further evidence in corroboration of the argument that expansion or contraction of trade, has little if any effect upon the circulation of the Bank of England, *Weguelin* 959 *et seq.* 995, 996. 1011 *et seq.*——Except under peculiar circumstances and to a limited extent, witness further states that the Bank cannot extend its issues, *ib.* 1301-1308. 1312.

Absence of any power in the Bank of England to determine the amount of the outstanding circulation, *Newmarch* 1342. 1409, 1410——Absence of power in country bankers to extend their issues, *ib.* 1408, 1409. 1513.

Further evidence to the effect that neither the Bank of England nor country banks have power to increase their circulation, *Newmarch* 1593 *et seq.* 1690-1694. 1819 *et seq.* 1964——A competition between local banks of issue tends to diminish rather than increase the circulation, *ib.* 1613-1615——It is a delusion to suppose that the Bank could increase and make use of any quantity of notes, and thereby relieve the public, *ib.* 1688-1694.

Great difficulty of affecting the amount of notes in the hands of the public, *Hubbard* 2358——Save under exceptional circumstances neither the Bank of England nor any other bank has power to increase its circulation, *ib.* 2407-2413——By setting on foot new speculations, a banker may for a time increase the circulation, *ib.* 2410-2413——Power of the Bank by the sale of securities slightly to contract the circulation, *ib.* 2596-2606——Tendency of large advances on the part of the Bank temporarily to increase the active circulation to a limited extent, *ib.* 2607-2614——Fluctuations in the circulation are determined by the requirements of trade and not by the will of the issuers, *ib.* 2615. 2655-2666.

Evidence to the effect that country issuers cannot affect the entire circulation, though, as rival issuers between themselves, or with the Bank of England, they may cause variation in the quantity of notes which each might keep out, *Hubbard* 2667-2680——The relative proportion of gold to paper may be varied, but the total amount cannot be varied by any enactment, *ib.* 2763, 2764.

Absence of power in the Bank to determine the circulation in the hands of the public, *Chapman* 5064-5066.

5. Evidence opposed to the foregoing Proposition; power of Banks to over-issue, and thereby to cause considerable disaster:

Argument that it is to a certain extent in the power of bankers, by excessive issues of paper, to affect the price of gold, or rather to depreciate the whole currency, *Norman* 2894-2920——Largely increased issues of private banks between 1834 and 1836, *ib.* 2908. 3179-3201——Further statement as to country bankers or issuers having for a time the power of keeping out over-circulation of notes, *ib.* 3008-3012.

Evidence in support of the proposition that there should be no competition as regards issuing banks, on the ground that for a certain time, and under certain circumstances, a mixed currency may be maintained to a greater amount than a metallic currency could be maintained, *Norman* 3115, *et seq.*——By lending at a low rate of interest, the Bank might for a time maintain an increased circulation, *ib.* 3122-3131——Probability of a worse currency if there are competing issuers than if there be only a single issuer, *ib.* 3132.

Further statement as to a mixed convertible currency being depreciated in comparison with the currency of other countries, if such mixed currency be maintained for a time at a higher amount than a purely metallic currency could be maintained, *Norman* 3156-3178. 3291-3303. 3504-3509——Further consideration of the large increase between 1834 and 1836 in the issues of country bankers; large decrease during the same period in the circulation and the bullion of the Bank of England; inference nevertheless as to a power in issuers to maintain a somewhat increased circulation for a certain time, *ib.* 3179-3201. 3286-3291.

Motive of country bankers to increase their issues; check to over-issue if they were obliged to issue Bank of England notes, first giving proper security for them, *Norman* 3304-3317. 3335-3340——Witness further repeats that, at certain times there is power in issuers to maintain an increase or excess of issue for a longer time than could occur under a purely metallic currency, *ib.* 3431-3435. 3495-3514.

Report, 1857—*continued.*

Circulation (Paper Currency)—continued.

IV. *Generally*—continued.

5. Evidence opposed to the foregoing proposition, &c.—*continued.*

As regards unrestricted competition between country banks of issue, such banks would have power, under certain circumstances, of unduly expanding their paper circulation, and might produce very mischievous results, *Right Hon. Lord Overstone* 3688, 3689——Belief as to the power of the Bank of England (if not restricted in issue) to put out any amount of notes it pleases, displacing thereby, and driving out of the country, a corresponding amount of gold; power, in fact, to banish for a time gold from the country, *ib.* 3906-3918——Extent of witness's experience relative to the practice of issuing banks adverted to in connexion with his views as to the power of over-issue, *ib.* 3922-3927.

Argument that every monetary crisis which this country has gone through can be clearly traced to the non-diminution of the paper money or issue as the bullion left the country, *Right Hon. Lord Overstone* 3988, 3989——Evidence, in detail, with reference to the several monetary pressures between 1783 and 1844, showing that the evils which arose were mainly owing to over-issues of paper money, *ib.* 4173-4188——The maintenance of the paper at an undiminished amount whilst there is a drain of bullion, is practically an over-issue, *ib.* 4174. 4195.

Statement with reference to the severe crisis and panic in 1792 and 1793, showing the tendency of banks to over-issue in a period of excitement, and the inevitable and disastrous results which follow from such over-issues, *Right Hon. Lord Overstone*, 4177——The non-convertibility of the note at this period had nothing to do with the power of issuers to put out their notes in accordance with the demand for them, *ib.* 4180——Statement showing that in the year 1800, and following years, there was a considerable excess of issue of paper money, *ib.*

With regard to the great crisis of 1825, witness adduces certain facts as clearly showing that between 1821 and 1825 there was a considerable increase in the circulation of bank notes, of 5*l.* and upwards, *Right Hon. Lord Overstone* 4182, 4183——Allowance to be made in considering the paper circulation respectively in 1821 and 1825, for the suppression of 1*l.* notes, and the substitution of coin, *ib.* 4182——Great reduction in the bullion in the Bank at this period in consequence of the over-issues, *ib.*——In addition to the increased circulation of the Bank of England in 1825, witness cites sundry grounds for the conclusion that the country issues were greatly in excess at that period, *ib.* 4182, 4183——The proposition that the paper issues were less in 1825 than the preceding years rests upon no evidence whatever, and is a most reckless and fallacious assumption, *ib.* 4182, 4183.

Statement showing the undue regulation of the paper issues in the period between 1833 and 1839, there having been a decided over-issue in the years 1837 and 1839, *Right Hon. Lord Overstone* 4184-4187.

Strong inculcation of the proposition that the alternate effect of an over-issue of paper money must be to depreciate the aggregate currency, and to cause an exportation of coin or bullion, *Right Hon. Lord Overstone* 4185-4188.

6. Question as to Convertibility being a Security against excess of Circulation:

The legal convertibility of the note is a sufficient security against over-issue, *Newmarch* 1345; *Mill* 2313-2316——But for the check of the convertibility of the Bank of England note, there would not be so much difficulty in affecting the amount of the circulation, *Newmarch* 1629-1631——Way in which the convertibility of the note controls the issues or rather the advances of the Bank, *ib.* 1823-1850——There should be no restriction upon issue save that of convertibility, *Mill* 2011.

Argument that the principle of competition cannot be applied, without mischief to the issues of paper money; the mere convertibility of the note is not, in fact a sufficient security against over-issue, *Norman* 2894-2920. 3196——The test of convertibility is, however, quite sufficient to prevent any indefinite increase of circulation, *ib.* 3196——The convertibility of the note will not of itself cause the paper circulation to conform to the variations of the metallic circulation, *Right Hon. Lord Overstone* 3874, 3875.

V. *Bills of Exchange:*

Tabular statement by Mr. Newmarch of the total amounts in bills of exchange (inland bills) drawn or created in England and Wales, during each quarter of the twenty-four years, 1830-1853, distinguishing the three groups of small, medium and large bills; with a collateral column of the rate of interest in London on first-class bills during each quarter, and also of the average circulation during each quarter, of the notes of the Bank of England, and of the notes of private and joint stock banks of England and Wales

Report, 1857—*continued.*

Circulation (Paper Currency)—continued.

V. *Bills of Exchange*—continued.

Wales, *App. p.* 324-326——Explanatory remarks by Mr. Newmarch on the foregoing Return, *ib.* 326, 327.

See also *Act* 7 & 8 *Vict.* c. 32. *Act* 8 & 9 *Vict.* c. 38. *Bank Post Bills. Bills of Exchange. Country Banks. Discretionary Issue. Drains of Bullion and Monetary Pressures. Extension of Issue. Foreign Exchanges. Government Issue. Hoarding. Inconvertible Notes. Issue Department. Legal Tender. Management and Direction (Bank of England). One Pound Notes. Panics. Prices. Rate of Interest. Reserve of Bullion (Issue Department). Reserve of Notes and Bullion (Banking Department). Restriction upon Issue. Sales of Securities. Separation of Issue and Banking Departments. Uniform Currency. United States.*

City of Glasgow Bank.—This bank represents the very serious disadvantages which, from not being incorporated, it is, by the Act 7 & 8 Vict. c. 113, extended to Scotland in 1846, made to suffer in comparison with the Scotch banks which had obtained charters of incorporation before the passing of such Act; and from not being allowed to obtain incorporation except by subjecting itself to disabilities from which other banks are exempt, *App. p.* 332, 333.

Particulars as to the amount of capital, &c. and of the authorized and actual circulation in April 1857, *App. p.* 333.

Statement on the part of the City of Glasgow Bank in favour of a new average for the circulation of the Scotch banks, *App. p.* 343.

Claims of Depositors and of Note-holders—Propriety of the note-holder having a preference over the depositor in the event of the failure of any bank, *Weguelin* 205-210——Note-holders and depositors have an equal claim upon the Bank of England reserve, *ib.* 630, 631——The depositors and note-holders would equally have a claim on the Issue Department on the event of a stoppage of the Banking Department, *ib.* 785, 786. 811-824——Repetition of opinion that the note-holder should have a greater claim than the depositor upon the effects of the bank, *ib.* 1136, 1137. 1280.

Argument, that under the Act of 1844, the legal claim applies equally to all the assets of the bank whether on the part of the note-holder or the depositor, *Weguelin* 1138, 1139. 1147-1155. 1158.

Dissent from the foregoing evidence; opinion that by the separation of the departments, the depositor can have no claim upon anything lodged in the Issue Department, *Neave* 1139-1147. 1156-1156.

Further expression of the opinion that the Act of 1844 did not affect a legal appropriation of the assets transferred to the Issue Department, to the ultimate payment of the notes, *Weguelin* 1268-1279. 1282, 1283——Absence of prejudice to the depositor by the restrictions of the Act in regard to providing for the notes, *ib.* 1281——As regards the legal question relative to the respective claims of depositors and note-holders, Mr. Freshfield, the late solicitor of the Bank, has given an opinion thereon, which witness considers to be in conformity with his own, *ib.* 1333, 1334.

Intention of the Act of 1844, that in the Issue Department there should be certain securities distinctly set apart for the protection of the note-holders, and also that the bullion should be appointed to meet the notes issued against it, *Hubbard* 2421——Opinion, that the depositors have not directly the same claim in law as the note-holders have upon the bullion in the Issue Department, *ib.* 2524-2527——Reasons why the note-holders are more entitled to security than the depositors, *ib.* 2808-2811.

Wide distinction between the position of a depositor and a note-holder adverted to as an argument against applying legislative action to deposits, *Norman* 2921-2929——Belief as to the Act of 1844, giving to the note-holder a special lien upon the securities and the bullion, *ib.* 3102-3106——The liabilities of a banker in regard to his circulation, should be preserved in a greater degree than in regard to his deposits, *ib.* 3326-3330.

See also *Banking Department. Issue Department*, 4.

Clydesdale Banking Company. Complaint by the Clydesdale Banking Company in regard to the mode in which issues are regulated by the Act 8 & 9 Vict. c. 38, *App. p.* 331.

The Bank represents the very serious disadvantages which, from not being incorporated, it is, by the Act 7 & 8 Vict. c. 113, extended to Scotland in 1846, made to be under in comparison with other Scotch banks, which had obtained charters of incorporation before 1844; and from not being allowed to obtain incorporation, except by subjecting itself to disabilities, from which other banks are exempt, *App. p.* 332, 333.

Particulars as to the amount of capital, &c., and of the authorized and actual circulation in April 1857, *App. p.* 333.

Report, 1857—*continued.*

Coinage of Bullion. Importers of bullion may have it coined for nothing at the Mint; they almost always take it to the Bank instead, pasing 1½*d.* an ounce for getting the coin at once, *Hubbard* 2473–2478——It is some advantage to the public to exchange gold for notes, instead of to take it to the Mint to be coined; the latter course is very rarely adopted, *Norman* 3444–3450——The sole privilege of coining money should be vested in one institution established by law for that exclusive purpose, *Right Hon. Lord Overstone* 3648——Means of computing the proper number of sovereigns to be produced by a certain quantity of gold sent to the Mint to be coined; reference hereon to the produce in sovereigns of 10,000 *l.* worth of gold once sent to the Mint by witness's firm, *Twells* 4686–4706.

Collection of the Revenue. Duty of the Bank to aid in the collection of the revenue, *Weguelin* 144. 155.

Commerce. See *Trade and Commerce.*

Commercial Bank of Scotland. Approval of the Act 8 & 9 Vict. c. 38, on the part of the Commercial Bank of Scotland, *App. p.* 330.

Particulars as to the amount of capital, &c., and of the authorized and actual circulation of the bank in April 1857, *App. p.* 333.

Competition (*Paper Issues*). See *Circulation*, IV. 4, 5, 6. *Country Banks*, IV.

Consolidated Fund. Account showing the advances made on Exchequer bills by the Bank of England, for the quarterly charge of the Consolidated Fund, and the weekly repayments of the same, from the 6th April 1848 to the 7th February 1857, *App. p.* 278–282.

Consols. Decided effect of variations in the rate of interest upon the price of consols, *Hubbard* 2400. 2402–2406.

Return of all purchases and sales of consols made by the Bank of England in each week, from the 21st January 1848 to the 2d May 1857, and the rates of such purchases and sales, *App. p.* 242–277.

Convertibility. Absence of danger since 1844 of the convertibility of the bank note, *Weguelin* 287.

The legal convertibility of the note is a sufficient security against over-issue, *Newmarch* 1345; *Mill* 2313–2316——But for the check of the convertbility of the note, there would not be so much difficulty in affecting the amount of the circulation, *Newmarch* 1629–1631——Absence of any depreciation in a note so long as it is convertible, whilst with inconvertibility depreciation may take place to any extent, *ib.* 1632–1634.

The primary duty of the Bank of England and other banks should be to provide that all their obligations might be payable on demand in the sterling coin of the realm, *Newmarch* 1658–1664. 1851–1854——Way in which the convertibility of the note controls the issues or rather the advances of the Bank, *ib.* 1823–1850.

There should be no restriction upon issue, save that of convertibility, *Mill* 2011——Opinion that the convertibility of the note would be just as safe without the Act, *ib.* 2286, 2287.

It is possible, under the Act of 1844, that there might not be 1 *l.* of bullion in the Issue Department, *Hubbard* 2526. 2739, 2740——Greater security for the convertibility of the note since the Act of 1844, *ib.* 2631–2645——In the event of so very improbable a contingency as a reduction of the circulation to 14,475,000 *l.*, the Bank would doubtless still keep a reserve of bullion in order to maintain the convertibility of the note, *ib.* 2739–2746.

Bankers can by no means increase their issues indefinitely; the test of convertibility is quite sufficient to prevent any such increase, *Norman* 3196——Full security under the Act of 1844 for the convertibility of the notes of the Bank of England, or about one-half of the entire circulation, *ib.* 3318–3321.

There need be no fear of the convertibility of the note, if the issue be limited, with regard either to the external or internal exchanges, *Right Hon. Lord Overstone* 3797——The convertibility of the note will not of itself cause the paper circulation to conform to the variations of the metallic circulation, *ib.* 3874, 3875——For all purposes of internal circulation the paper, so long as it is convertible, must be of identical value with the coin, *ib.* 3876–3878.

Extent to which the Act provides that there shall be gold and silver to meet the notes with the public, *Right Hon. Lord Overstone* 4024–4028. 4220–4222——Assumption that the country could never bear such a diminution of money as would be involved in carrying in the notes for cancellation down to 14,000,000 *l.*, *ib.* 4026——Simple process under which the Act of 1844 provides for convertibility, *ib.* 4112–4118.

Objection to the issue of Bank notes being a legal tender, except in such quantities as may be met by the issuer in gold, *Alexander* 4257–4259, 4270. 4289, 4290. 4312, 4313——Fallacy involved in the Bank notes now bearing upon them a promise to pay on demand,

Convertibility—continued.

demand, there not being the same amount of bullion as of notes, so that, theoretically, convertibility is not provided for, *Twells* 4737-4741——More fair and judicious course if the notes bore an impress that they were issued upon securities, and were made a legal tender, *ib.* 4741, 4742.

See also *Bullion Reserve. Circulation*, IV. 4, 5, 6. *Country Banks*, V. *Metallic Currency. Resumption of Cash Payments.*

Copper. Account of copper coined, and of copper coin received at the Bank of England from the Mint, in each year from 1845 to 1856, *App. p.* 299.

The Bank does not undertake the distribution of copper coin to the public; it is only issued in the payments arising out of the ordinary banking business, principally through the Dividend Pay Office, *App. p.* 299.

Corrie, Thomas. Letter from Mr. Corrie, manager of the British Linen Company Bank, to the Chancellor of the Exchequer, dated 25th November 1856, in approval of all the provisions of the Act 8 & 9 Vict. c. 38, *App. p.* 330.

Cotton, William. Statement by Mr. Cotton, dated the 4th October 1856, in approval of the operation of the Act of 1844, with remarks upon the inconvenience of the circulation of notes under 5 *l.* in Scotland and Ireland, *App. p.* 6–8.

Country Banks:

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1. Gradual Extinction contemplated by the Act of 1844.
2. Failure of the Clause providing for abandoned Issues.
3. Evidence in favour of compulsory Extinction.
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2. Issue by the Bank of England to the extent of Two-thirds of the lapsed Issues.
3. Consideration whether the Bank should not fully replace the lapsed Issues.
4. Petition with reference to the continuance of Compensation.

III. *As to an Increase of Issues:*

1. Objections to a Power of increased Issue on Securities.
2. Statements in favour of a Power of increased Issue.

IV. *Disadvantage of the Monopoly of Issuing Banks.*

V. *Question as to the requirement of Security for Issues.*

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IX. *Banks which have exceeded their authorised Issues, and Fines imposed.*

X. *Banks which have relinquished Business, or have Failed.*

I. *As to an Extinction of Country Issues:*

1. Gradual Extinction contemplated by the Act of 1844:

Belief that the late Sir Robert Peel, and the Government of 1844, contemplated a gradual extinction of the country banks of issue, *Weguelin* 166, 167. 184–188——By the existing law, the issue of country bankers need not terminate, save voluntarily on their own part, *ib.* 168, 169——It was contemplated by Sir Robert Peel, that in ten years from the passing of the Act of 1844, the country circulation would be so diminished, that it would be possible to deal with the remainder by legislative enactment, *ib.* 899. 912, 913. 941–943——It would not be consistent with the intention of the framers of the Act to continue the existing arrangements with regard to country banks, *ib.* 945.

The composition clause of the Act of 1844 was evidently intended as a means of superseding the country bank circulation, *Newmarch* 1399–1402——Contemplation by the promoters of the Act, that the country issues would be voluntarily commuted, *Hubbard* 2429.

Probability of the Act of 1844 having contemplated the gradual absorption of the country issues, *Norman* 2939–2942——Impression further stated that Sir Robert Peel looked forward to a diminution, and probably an ultimate extinction, of the country issues; question put by him to witness on examination before the Select Committee in 1840, adverted to hereon, *ib.* 3331–3334.

Approval of the course taken by Sir Robert Peel with a view to the gradual extinction of the country issues, *Right Hon. Lord Overstone* 3672–3675. 3680.

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Country Banks—continued.

I. *As to an Extinction of Country Issues*—continued.

2. Failure of the Clause providing for abandoned Issues:

The compensation clause in the Act of 1844, by which the Bank is empowered to compound with issuing banks, has not had the anticipated effect of absorbing the country issues, *Weguelin* 899, 900——Further reference to the slight extent to which country issues have come under the compensation clause; reasons for the comparative inoperativeness of this clause, *ib.* 936–938. 944——Causes of the failure of the voluntary clause, *Hubbard*, 2430–2432.

Although the operation of the composition has not hitherto been considerable, witness considers that the country issues are in a fair way of being extinguished, *Right Hon. Lord Overstone* 3676–3678. 3681–3685——Gradual diminution of the country issues further adverted to; circumstance of this having largely resulted from the insolvency of the banks, *ib.* 3981–3985.

3. Evidence in favour of compulsory Extinction:

The way to accomplish uniformity of currency would be to render compulsory the permissive clauses of the Act, upon certain definite terms, *Hubbard* 2439–2441——Doubt as to any inconvenience being felt, after a time, by the withdrawal of the local notes of country banks, *Norman* 3030–3036.

It is extremely desirable, in principle, to absorb the country issues in the issues of the Bank of England, *Right Hon. Lord Overstone* 3672–3680. 3685–3687——It would be better to take further and more decided steps for stopping the country issues altogether, than to permit such issues to be extended on the security of bullion, or to require security even without increased issues, *ib.* 3680. 3687——Witness would approve of any practical measure for the immediate extinction of country issues, *ib.* 4203.

Suggestion by Mr. T. N. Hunt in favour of the gradual discontinuance of all Bank notes issued without the deposit of an equal amount of gold and silver; how this may be effected, *App. p.* 9.

Opinion of Mr. J. G. Hubbard that it would be for the public advantage that the country banks of England and Wales should work exclusively with the notes of the Bank of England, *App. p.* 11. 13.

Recommendation by Mr. B. B. Greene, that provision be made for causing the entire issue of notes in England and Wales to merge into that of the Bank of England, either at once, or by a gradual process, *App. p.* 18, 19.

Proposition by Mr. Hubbard for a withdrawal of the country issues, and for a redemption of the beneficial interest of the issuers, *App. p.* 22.

4. Evidence to a contrary purport:

Objection to a compulsory termination of the issue of country banks, *Weguelin* 170–172——Witness sees no reason why the circulation of country bankers should be extinguished, *Newmarch* 1403. 1533, 1534——Expense to the Bank of England if it replace the circulation of all country banks of issue, *ib.* 1403–1408——Absence of advantage in abolishing country banks of issue in England, *Mill* 2039–2042.

Opinion that the country bank circulation is now in a very satisfactory state, *Twells* 4619——The issues are very small in proportion to the deposits, *ib.* 4619, 4620. 4623——It is highly undesirable to supersede the country issues by Bank of England paper; the Bank have quite enough to do to manage their present issues, *Chapman* 4957–4961.

II. *Lapsed or relinquished Issues:*

1. Particulars as to the Banks whose Issues have lapsed:

Return of any banks, being banks of issue previously to the passing of the Act 7 & 8 Vict. c. 32, which have ceased to issue their own notes, and the amount of the circulation of such banks respectively; showing the amount on which the Governor and Company of the Bank of England founded a memorial, dated the 26th November 1855, and on which permission was granted to them to add to their issue of notes, under the 5th section of the Act 7 & 8 Vict. c. 32, *App. p.* 88, 89.

Account of the number of private banks of issue in England at the time of passing the Act of 1844, and whose issues were fixed by that Act; also the number which still continue in existence as banks of issue, and showing what number have ceased to issue by compounding with the Bank to use Bank of England notes, and the number that have ceased by failing, *App. p.* 238——Similar account in regard to Scotland under the Act of 1845, *ib.*——Similar account in regard to Ireland, *ib.*

2. Issue

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COUNTRY BANKS—continued.

II. *Lapsed or relinquished Issues*—continued.

2. Issue by the Bank of England to the extent of Two-thirds of the lapsed Issues:

The issue, to the extent of two-thirds, was the result of an application made to Government, at the suggestion of the Chancellor of the Exchequer, *Weguelin* 598——Through the failure of several banks of issue since 1844, and the abandonment of issue by several banks, about 800,000 *l.* of notes have been partly replaced by the Bank of England, *ib.* 897, 898. 912——Substitution by Bank of England notes to the extent of two-thirds of the lapsed issue of private banks, further adverted to, *Weguelin* and *Neave* 922–924.

Witness cannot trace any increase in the circulation of the Bank of England notes consequent upon the permission to issue to the extent of two-thirds of the lapsed circulation; the substitution, in fact, has been imperfect, *Weguelin* 925–928——With regard to the increased issue by the Bank of 475,000 *l.*, Government receives two per cent. from the Bank for such issue, *ib.* 1267.

Principle upon which the Act restricted the re-issue to two-thirds of the lapsed issue, *Hubbard* 2356——There has been no direct issue of Bank of England notes in consequence of the lapsed issues of any country banks, *ib.* 2697–2700.

Reference to the application by the Bank to Government to be allowed to issue to the extent of two-thirds of the lapsed country issues; witness was not a party to this application, *Norman* 3592–3598. 3631——Explanation that the application in regard to the issue by the Bank really emanated from the Government, *ib.* 3629–3632.

3. Consideration whether the Bank should not fully replace the lapsed Issues:

The Bank should have been allowed to issue to the full extent of the lapsed issues, instead of only to the extent of two-thirds, *Hubbard* 2354–2357. 2485——The full amount of the lapsed issues, namely 712,500 *l.*, instead of two-thirds, namely 475,000 *l.*, might have been re-issued by the Bank without any infraction of the principle of the Act, *ib.* 2485——Further reference to the propriety of substituting the Bank of England circulation to the full extent of the lapsed country circulation; belief that coin would not, to any appreciable extent, take the place of the lapsed issues, *ib.* 2540–2544. 2693.

Objection to the Bank being permitted to increase their issue to the full extent, instead of to the extent of two-thirds of the lapsed issue of country banks; this, however, is a very unimportant matter, *Norman* 2865–2870——Whether the bank issue to the full, or to the extent of two-thirds of the lapsed issues of country banks, is not a matter of the slightest consequence, *Right Hon. Lord Overstone* 3695. 4126.

Opinion of Mr. Hubbard, that unless the Bank issues on securities to an equal amount in substitution of lapsed or commuted country issues, the aggregate credit issue will be needlessly curtailed, *App. p.* 11–13.

4. Petition with reference to the continuance of Compensation:

Petition of bankers in the south of England with reference to compensation being continued for the relinquishment of issue, *App. p.* 352.

III. *As to an Increase of Issues:*

1. Objections to a Power of increased Issue on Securities:

Disapproval of country banks being allowed to increase their issues upon securities, *Weguelin* 174——Impediments to English country banks issuing upon bullion, if empowered to do so, *ib.* 174–177——Non-objection in principle to a similar power in the English country banks as in the Irish and Scotch banks to issue upon bullion in excess of their fixed circulation, *ib.* 576–585——Contravention of the principle of the Act of 1844 if country banks were allowed to issue to any amount, in proportion as they deposited Government securities, *ib* 954——Doubt as to any advantage if the English country banks were put upon the same footing as the Scotch and Irish banks, and enabled to issue upon gold in excess of their limited circulation, *ib.* 997–1007.

An allowance to English country banks to issue notes against bullion in excess of their limit of circulation would simply be to give them an extension of issue, without their keeping any additional bullion reserve, *Hubbard* 2481–2484——Witness does not recommend that English country banks should be allowed to over-issue against bullion, but he sees no reason for making a distinction between them and the Scotch and Irish banks, *ib.* 2790–2795.

Country banks of issue should remain on their present footing, new banks of issue being prohibited, *Norman* 2945–2952——Objection to any interference with the country banks which should in any way increase their amount of issues, *ib.* 3037–3041——Further disapproval of a power in country banks to issue to any extent, provided they gave security for two-thirds, and issued one-third upon gold, *ib.* 3542–3544.

Advantage in the limit placed by the Act upon the amount of country issues, *Right Hon. Lord Overstone* 3977. 3980, 3981.

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COUNTRY BANKS—continued.

III. *As to an Increase of Issues*—continued.

2. Statements in favour of a Power of increased Issue:

Approval of a removal of the restrictions imposed in 1844 and 1845 upon the circulation of country banks, *Newmarch* 1411-1413——There is in principle no reason why the banks in Scotland and Ireland should not, equally with English banks, be released from the restrictions now imposed upon their circulation, *ib.* 1417. 1517, 1518——Belief that there is no necessity for the present restriction upon country issues, *Mill* 2043——Memorial of the Huddersfield Banking Company and the West Riding Union Bank, praying to be placed on the same footing as Scotch and Irish banks as regards the issue of notes, *App. p.* 348.

Memorial of Sheffield Banking Companies, praying to be put on the same footing as Scotch and Irish banks with regard to the issue of notes, *App, p.* 348. 357, 358.

Memorial of the Gloucestershire Banking Company, requesting to be allowed to issue notes beyond their specified limit for a sum equal to the gold and silver held by them, *App. p.* 349, 350.

Memorial of private banks of issue in the counties of Bedford, Hertford, Buckingham and Essex, requesting to be put upon the same footing as the Scotch and Irish banks in regard to issue, *App. p.* 351.

Petitions of bankers in the counties of Gloucester, Monmouth, York and Derby, praying to be put on the same footing as the Scotch and Irish banks in regard to the issue of their own notes, *App. p.* 356–358.

Petition of bankers in the City of Coventry, praying to be placed on the same footing as the Scotch and Irish banks, *App. p.* 359, 360.

Petition of bankers in the counties of Lincoln and Northampton, praying to be placed on the same footing as the Scotch and Irish banks, *App. p.* 360, 361.

IV. *Disadvantage of the Monopoly of Issuing Banks:*

New country banks, in not having the power of issue, are placed at a disadvantage, as compared with the existing banks of issue, *Weguelin* 173. 180, 181——Extent to which the operation of the Act may be said to have given a monopoly to the private banks of issue in existence in 1844, and to have deprived the public of the advantage of new and improved banks, *ib.* 902–912. 920, 921. 929–935——Monopoly secured by the present Act to existing country banks of issue, *ib.* 986–988.

Tendency to a monopoly of banking business in country towns where banks of issue are established, *Newmarch* 1580–1592——Advantage to the public where there is competition between the local banks, *ib.* 1580–1582.

Doubt as to there being any instance of a bank of circulation and a bank merely of deposits in the same town; banks at Bristol adverted to hereon, *Newmarch* 1586–1590——Means of a country bank of issue for increasing the accommodation to its customers in the event of its having reached the full amount of its limited issue, *ib.* 1858–1865——The issues of country bankers are to a great extent so much capital in their hands, *ib.* 1865–1868.

Doubt whether an issuing bank has any peculiar advantages or facilities in doing ordinary banking business, *Hubbard* 2448–2450——Extent to which the privileges of issuing banks under the Act may have prevented issues being undertaken by a sounder class of banks, or may by failure have inflicted actual loss, which but for the Act would have been avoided, *Norman* 3345–3356.

V. *Question as to the requirement of Security for Issues:*

Advantage if the country banks were required to deposit securities against their authorised issues, *Weguelin* 133. 170. 178, 179. 181–183. 203–213—— Circumstance of the Act of 1844 not having required any security for the convertibility of the notes of the numerous banks of issue then in existence, further than by limiting the amount of the circulation *ib.* 892–896——Further reference to the absence of precaution or security under the Act of 1844 in regard to the circulation of private and joint stock banks, or nearly one-half of the whole circulation of the United Kingdom, *ib.* 914–918. 929. 946–954. 967 *et seq.*——There is no reason why private and joint stock banks of issue should not give security, as well as the Bank of England, *ib.* 946–953——Witness would like to see a portion of the country circulation represented by gold; or Bank of England notes would doubtless fulfil the same object, *ib.* 967–977.

Objections to requiring security from country issuers, *Newmarch*, 1413–1416. 1528–1532——Although securities, if given by country bankers, would consist of investments bearing interest, it would nevertheless be injurious to the banks of circulation to give such securities, *ib.* 1561–1580——Doubt as to there existing any necessity for requiring securities from country banks, *Mill* 2044. 2071, 2072——Way in which the proposition (not advocated by witness) that country banks should deposit public securities against their issues might be carried into practice, *ib.* 2273–2282.

Absence

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COUNTRY BANKS—continued.

V. *Question as to the requirement of Security for Issues*—continued.

Absence of proper security for the payment of country notes, *Hubbard* 2433. 2442——Security for country issues (if they be continued) would be desirable, but would most likely be objected to on the part of the banks, *ib.* 2447——Doubt as to its being any inconvenience to country banks to keep a large amount of securities as against their circulation, *ib.* 2491–2493——Witness does not recommend that country banks should be required to give security for their issues, though in some instances of failure it would have been an advantage, *ib.* 2805–2807. 2812–2814——The giving of security by country banks would be a very complicated and unpalatable process, *ib.* 2812–2814.

Defect of the Act of 1844 in not prescribing that security shall be taken for the country issues, *Norman* 3222–3257——Witness has always held the doctrine that no bank should be allowed to issue without giving security, *ib.* 3325. 3330. 3356, 3357.

Statement with reference to the Act of 1844 not having required security in the case of the country issuers; question as to this having been any defect in the Act, *Right Hon. Lord Overstone* 3680. 3687. 3976–3980. 3983–3986.

Country bank notes not being a legal tender, witness does not recommend that such notes should, as well as Bank of England notes, be issued only on gold, *Alexander* 4309–4313. 4318, 4319——Doubt as to the expediency of requiring country banks of issue to give security for their issues, *Twells* 4619–4623.

Recommendation by Mr. Neave, that all banks of issue should deposit security as the Bank of England does, with permission to compound for their issues, *App. p.* 5.

Suggestions by Mr. Norman, that security be required from all issuing banks, *App. p.* 15.

Suggestions by Mr. Latham, with a view to country issuers lodging securities to the amount of their issues; failing to do so, they should adopt the alternative of compounding with the Bank of England, *App. p.* 17.

Suggestion by Mr. B. B. Greene, that banks of issue should deposit Government securities for the authorized amount of their issues, *App. p.* 19.

Remarks by Mr. Thomson Hankey in disapproval of the issues by country banks without the necessity of any security for the payment of the notes, *App. p.* 23.

VI. *Suggested Extension of the Period for taking the Averages:*

Circumstance of the country bank circulation being always under the authorized amount, in consequence of the mode in which the averages are taken, *Weguelin* 189–191——Impression that it is often a million short of the authorized issue, *ib.* 191——Though the country banks are empowered by law to issue about 8,000,000 *l.*, they are deterred by some of the provisions from issuing more than about 7,000,000 *l.*, *ib.* 706.

Reasonableness of an extension of the time for taking the averages in the case of the returns of country banks, as they do not now venture to the full extent of their limit of circulation, *Hubbard* 2482——Hardship on the country banks in their finding it necessary to keep considerably within their credit limit of circulation through the fear of penalties, *ib.* 2789——Approval of an alteration in the system of taking the averages as regards the country bankers' returns, *ib.* 2789. 2804.

Petition of bankers in the counties of Cumberland, Westmorland and Lancaster issuing their own notes under the provisions of the Act 7 & 8 Vict. c. 32, praying for an extension of the period for taking the average of their circulation, *App. p.* 347. 354.

Petition of bankers in the counties of Cumberland, Westmorland and Lancaster issuing their own notes under the provisions of the Act 7 & 8 Vict. c. 32, praying for an extension of the period for taking the averages, *App. p.* 347. 354.

Petition of Sheffield Banking Companies, praying for an extension of the period for taking the averages, *App. p.* 348. 357, 358.

Memorial of the Gloucestershire Banking Company, submitting that it would be no infringement of the principle of the Act of 1844, yet of great benefit to them and their customers, to take the average half-yearly, instead of monthly, *App. p.* 349, 350.

Memorial of bankers in the county of Derby, praying for certain amendments in the Act of 1844, as regards the time of taking the averages of the circulation, *App. p.* 350.

Memorial of private banks of issue in the counties of Bedford, Hertford, Buckingham and Essex, suggesting that the time permitted for taking the averages of circulation be extended from one month to six months, and the year divided into two periods of six months each, *App. p.* 351.

Petition of private bankers and joint stock banks (issuers of their own notes), in the county of Kent, praying for an extension from four weeks to eight weeks of the period for striking the average circulation, *App. p.* 353, 354.

Petition of bankers in the county of Gloucester, praying for an extension of the period for taking the averages, *App. p.* 356.

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VI. *Suggested Extension of the Period for taking the Averages*—continued.

Petition of bankers in the county of Monmouth, praying for an extension of the time for taking the averages, *App. p.* 356, 357.

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Petition of bankers in the city of Coventry, praying for an extension of the period for taking the averages, *App. p.* 359, 360.

Petition of bankers in the counties of Lincoln and Northampton, praying that the period be extended, *App. p.* 360, 361.

VII. *Improved Operation generally since the Act of* 1844 :

Check by the Act upon an abuse of country issues, *Hubbard* 2433——Previously to 1844 the country banks in many instances made imprudent investments of their capital, and extended their issues too far, *ib.* 2434-2437——Belief that under the former Act the natural tendency of country banks of issue was to keep their notes in circulation, and to take less perfect securities for their loans than they would do under the Act of 1844, *ib.* 2778-2784.

Improved action of the country issues since 1844, *Norman* 2943, 2944——The country bankers made a very good bargain by the Act, *ib.* 2952. 3353, 3354—— How far, as regards country issues, the public can be said to have made a good bargain by the Act, *ib.* 3355, 3356——The check upon over-issues by country banks more than counterbalances the disadvantage of their monopoly of issues, *ib.* 3484-3486——Further opinion that the country issues have been conducted more satisfactorily since the Act of 1844, *ib.* 3541.

Advantages of the restrictive character of the Act, *Right Hon. Lord Overstone* 3977. 3980, 3981.

VIII. *Returns as to the Circulation in different Years :*

Return of the circulation of country banks in England and Wales, in each month from September 1833 to April 1857, *App. p.* 148–152.

Account of the aggregate daily circulation of private and joint stock banks of issue in England and Wales, from the 15th October 1844 to the 9th May 1857, *App. p.* 153–181.

Return showing the authorised issues of the notes of the private and joint stock banks in England and Wales, and the actual amount issued; also the authorised issues of the banks in Scotland and Ireland, the actual amount issued, and the amounts of bullion held by these banks respectively in each week since the passing of the Acts of the 7 & 8 Vict. c. 32, and 8 & 9 Vict. c. 37 and 38, to the 9th May 1857, *App. p.* 182–203.

Account of the aggregate weekly circulation of the notes of banks of issue in Scotland and Ireland, distinguishing those of 5*l.* and upwards, and those under 5*l.*, and showing the total amount in Scotland and Ireland respectively, with the amount of bullion held from the 13th December 1845 to the 9th May 1857, *App. p.* 204–213.

Account of the aggregate weekly circulation of bank notes in the United Kingdom, distinguishing those of the Bank of England in the hands of the public, and the issues of other banks in England, Scotland and Ireland, from the 19th October 1844 to the 9th May 1857, *App. p.* 214-232.

IX. *Banks which have exceeded their authorised Issues, and Fines imposed :*

Account of banks that have exceeded their limited issues, and of the fines imposed, since the passing of the Act 7 & 8 Vict. c. 32, to the 9th May 1857, *App. p.* 239.

X. *Banks which hav relinquished Business, or have Failed :*

Return of the number or banks of issue and of non-issue that have been established in England and Wales in each year, from 1819 to the preent time, distinguishing joint stock banks from private banks; of the number which have relinquished business in each year, again distinguishing banks of issue and of non-issue, private banks and joint stock banks, and the number which have relinquished business in consequence of failure and other causes, *App. p.* 234——Similar Return as regards Scotland, *ib.* 235——Similar Return as regards Ireland, *ib.* 237.

Return of banks of issue that have failed since 1844, with particulars as to the dividends paid, *App. p.* 240.

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Coventry Banks. Petition of bankers in the city of Coventry, praying for an extension of the period for taking the averages of their circulation, and to be placed on the same footing as Scotch and Irish banks in regard to issues, *App. p.* 359, 360.

Credit. A merchant, before purchasing on the credit of his bills, should always have regard to the proportion between his available capital and his liabilities, *Weguelin* 216–220—— The great operations of credit throughout the country districts are performed by bills of exchange taken out of the banker's portfolio, and endorsed by him, and not by the actual circulation of country notes; advantages of this system, *Newmarch* 1569–1579—— Importance of the clear distinction made by the Act between bank notes as currency and bills of exchange, &c. as representatives of credit, *Hubbard* 2628, 2629——The more distinguished and important feature of the Act is, that it puts a strong limitation to the creation of credit paper, and thereby converts such credit into capital, *ib.* 2629–2643—— Under a drain of bullion it is not the capitalist, but the non-capitalist, who wants to obtain money, *Right Hon. Lord Overstone* 3736–3743. 3760–3766.

Credit Circulation. See *Circulation*, I. *Extension of Issue. Restriction upon Issue*, I.

Crompton, Newton & Co. (*Derby*). Memorial from these bankers, suggesting certain alterations in the Act of 1844, *App. p.* 350.

Cumberland Banks. Memorial of the bankers of Cumberland, &c., praying to be put on the same footing as Scotch and Irish banks with regard to the issue of notes, *App. p.* 347. 354.

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Currie, James Pattison. Letter from Mr. Currie to the Governor of the Bank of England, dated the 6th October 1856, in strong approval of the Act of 1844, and in general approval of the Acts of 1845, *App. p.* 10.

Customs Duties (*Treasury Drafts*). Usefulness, to a limited extent, of the drafts authorised by the Treasury in 1855 for the payment of Customs duties, with a view to the economy of Bank notes, *Hubbard* 2593–2595.

D.

Deficiency Bills. Account showing the advances made on Exchequer bills by the Bank of England for the quarterly charge of the Consolidated Fund, and the weekly repayments of the same, from the 6th April 1848 to the 7th February 1857, *App. p.* 278–282.

Deposits (*Bank of England*). It would for several reasons be very inexpedient to force upon the Bank the system of interest on, and investment of, deposits, as pursued by the joint stock banks, *Weguelin* 159–161. 243–246——Large reserve of the Bank in proportion as the deposits are large, *ib.* 254, 255. 259——List of the private deposits, *ib.* 415——List of the public deposits, *ib.* 416——It is at least equally important to retain a reserve against the deposits as against the circulation, *ib.* 1159–1163.

Arguments that the circulation and deposits equally constitute the liabilities of the Bank of England, and that it is essential to deal with them as a whole in regard to the amount of reserve to be provided, *Newmarch* 1647 *et seq.* 2005–2009——The deposits of the Bank really require more careful watching and more ample safeguard than the circulation, *ib.* 1670–1672.

Main evil of the Act in providing against drains as though they affected the Issue department only, whereas in truth they act equally on the deposits, *Mill* 2026 *et seq.* ——In a quiescent state of trade, the deposits in the Bank do not vary much in amount, *ib.* 2159, 2160——The deposits, being the bulk of all the deposits in the country waiting for employment, constitute the fund drawn upon when bullion is being exported; question hereon as to the propriety of including in this operation deposits other than those of the London and country bankers, *ib.* 2229–2246——Inattention to the management of the deposits, more especially up to 1847, is one of the more erroneous and injurious consequences of the Act, *ib.* 2283, 2284. 2317, 2318.

The deposits are, comparatively, but slightly affected by variations in the rate of discount, *Hubbard* 2618–2625——The deposits of the Bank vary very little, *Norman* 3476, 3477——Explanation with reference to a return from the Bank, showing that during periods of adverse exchanges and high rates of interest the depositors do not materially reduce their deposits, *ib.* 3476–3482.

Impression that the Bank do not now require persons keeping accounts with them to have more than a nominal balance with them, *Twells* 4824–4830.

Remark by Mr. Weguelin that the Act of 1844 unduly encourages the Bank, as regards the use of its deposits, to compete with private money lenders, *App. p.* 1.

Statement by Mr. Thomson Hankey that the Bank should look to their deposits, and to their deposits alone, as the source from which discounts can be satisfactorily provided, *App. p.* 23.

Account of the amount of all deposits held by the Bank on the 28th February and the 31st August in each year, from 1778 to 1847 inclusive, *App. p.* 90–92——Similar account for each year from 1848 to 1856, *ib.* 93.

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Deposits (*Bank of England*)—continued.

Account of the public and other deposits of the banking department, as published weekly in the "Gazette," since the passing of the Act 7 & 8 Vict. c. 32, from the 31st August 1844 to the 31st December 1847, *App. p.* 94-99——Similar account for each week from the 1st January 1848 to the 27th December 1856, *ib.* 100–113.

Account of the total amount of deposits, including the balances on account of the Exchequer, and the balances on account of the London bankers, from the last day of each week, from the 7th September 1844 to the 24th December 1847, *App. p.* 114-119——Similar account from the last day of each week, from the 1st January 1848 to the 27th December 1856, *ib.* 120–135.

Account of the total amount of public deposits and other deposits held by the Bank from the last day of each week, from the 7th September 1844 to the 27th December 1856, *App. p.* 136–147.

Account of the amount of all deposits held by the Bank on the 28th February 1857, *App. p.* 233.

Return of the deposits of bankers and of the private customers of the bank on each Saturday during the drain of bullion in 1846-47, and during the pressure from the autumn of 1853 to the spring of 1857, *App. p.* 302-305.

See also *Claims of Depositors, and of Noteholders.*

Deposits (*Generally*). The deposits of issuing banks are probably much more profitable than their issues, *Hubbard* 2711, 2712. 2785——As regards a drain upon the deposits of an issuing banker, it may be met by selling securities and recalling loans, as well as by increased issues, *Norman* 3473–3475——There is a constant alteration in the value of all deposits, such deposits being in effect money, and influencing the value of capital; connexion therefore between fluctuations in the rate of interest and in the value of deposits, *Twells* 4513–4535——Deposits, as being payable on demand, are clearly part of the circulation, *Chapman* 5300, 5301.——*See* also *Joint Stock Banks.*

Depreciation (*Paper Currency*). See *Drains of Bullion, and Monetary Pressures,* I. *Over-Issue. United States.*

Derbyshire Banks. Memorial of bankers in the county of Derby, praying for certain amendments in the Act of 1844, as regards the time for taking the averages of the circulation, &c., *App. p.* 350.

Direction (*Bank of England*). See *Management and Direction.*

Discount Houses. Great injury if the Bank were at times, in consequence of its reserve being low, to stop discounting for the discount houses, *Chapman* 5190–5195——Comparatively limited extent to which the Lombard-street discount houses make advances on the security of dock warrants, or railway debentures, *ib.* 5198–5205——Disapproval of advances by the discount houses on securities having relation to speculative transactions, *ib.* 5201–5205——Necessity of the discount houses lending out all their borrowed money without keeping any reserve beyond a banking balance, *ib.* 5206–5209, *ib.*

See also *Overend, Gurney & Co.*

Discount Office (*Bank of England*). Anomalous character of the discount office, that is, the office through which advances are made by the Bank, *Norman* 3527, 3528.

Discounts (*Bank of England*). Restrictions placed by the Bank upon the discount of bills with reference to the state of the reserve, *Weguelin* 31–34——The rate of interest and the amount of discounts go down together, *ib.* 269——In discounting bills, their validity alone is considered, without reference to their effect upon exports or imports of the precious metals, *ib.* 547–550. 554, 555.

Larger amount of the Bank discounts when the rate of interest is high than when it is low, *Mill* 2148; *Hubbard* 2376–2379; *Norman* 2994–2997——Larger accommodation given by the Bank to the public since 1844 than previously, *Hubbard* 2379–2382——Fluctuations in the bullion of the Bank represent very nearly the fluctuations in the discounts held by the Bank, *ib.* 2556–2559.

Table showing the periods and extent of variation in the rate of discount at the Bank, from 1844 to 1856, together with the amount of reserve and the amount under discount at the same period, *Hubbard* 2759, 2760——This table shows the fallacy of the notion that the restriction of banking accommodation to the public is tantamount to a rise in the rate of interest, *ib.* 2759——The fact is, that the Bank discounts or advances are larger as the rate of interest is higher, *ib.* 2759, 2760. 2842–2844.

How far the practice of the Bank of England to show any favour as regards discounts to persons keeping accounts with them, *Twells* 4819-4823.

The Bank should have it in their power under any circumstances to discount first-class commercial bills or Exchequer bills, and to supply the circulating medium for undoubted securities of a legitimate character, *Chapman* 5008, 5009. 5176–5196. 5329. 5333. 5338, 5339——It would be a lamentable thing that a man should stop payment who had in his possession the acceptances of Jones Loyd, or Smith, Payne, or similar undeniable securities,

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Discounts (*Bank of England*)—continued.

securities, *Chapman* 5176, 5177. 5180——Illustration, as shown in the case of witness's house in 1839, of the great importance to the public of the Bank continuing to discount in time of pressure, *ib.* 5195.

Return of the several rates at which the Bank of England has advanced money on loan, with the date at which each such rate has been established, and the period during which it has prevailed, and the amount of money advanced upon each such rate, from the 1st of January 1844 to the 1st of January 1848, *App. p.* 36–43——Similar return for the period from the 8th of January 1848 to the 27th December 1856, *ib.* 44–61.

Return of the highest and lowest rates at which the Bank has advanced money on loan or discount, with the date at which each such rate has been established, and the period during which it has prevailed, and the amount of money advanced under each such rate, from the 1st of January 1844 to the 24th of December 1847, *App. p.* 62–67.

Return of the several rates at which the Bank has discounted bills of exchange, together with the weekly amount of money discounted under each rate, from the week ending 1st January 1848 to the week ending 27th December 1856, both inclusive, *App. p.* 68–81.

Account of the total amount of bills discounted by the Bank of England, from the last day of each week, from the 7th September 1844 to the 24th December 1847, *App. p.* 114–119——Similar account, from the last day of each week, from the 1st January 1848 to the 27th December 1856, *ib.* 120–135.

See also *Advances* (*Bank of England*). *Bills of Exchange.* *Exports.* *Overend, Gurney & Co.* *Rate of Interest.* *Term of Bills.*

Discounts (*Generally*). Doubt whether the advances by discount houses are larger when the rate of discount is high than when it is low, *Hubbard* 2842–2844 ——Difficulty of comparing the amount respectively of the discount operations of the Bank of England, and of all other discount operations, *Chapman* 4858–4862 —— Statement with reference to the question of discounts being largest when the rate of interest is high, *ib.* 5155–5161. 5322–5326.——*See* also *Overend, Gurney & Co.* *Rate of Interest.*

Discretionary Issue:

1. *Evidence in favour of vesting a Discretionary Power in the Bank Direction.*
2. *Objections to an Increase in the Power or Responsibility of the Bank.*

1. *Evidence in favour of vesting a Discretionary Power in the Bank Direction:*

Sound discretion is far wiser than mechanical action as a basis of management, *Newmarch* 1545–1547——The Bank should be placed entirely on the responsibility of its own discretion, *ib.* 1885——As regards the amount of the Bank reserve, it is extremely impolitic to regulate it by Act of Parliament rather than by the discretion of the Bank, *ib.* 1662–1679.

Recommended return to the provisions of the law as it was previously to 1844, with some understanding as to the amount of reserve which the Bank should hold, *Mill* 2072–2075. 2185, 2186——Belief that, from past experience, the Bank would act just as beneficially, in cases of over speculation, if the present law were repealed, *ib.* 2075. 2131. 2194–2201. 2304——Further statement as to the expediency of leaving cases of over-speculation to be dealt with at the discretion of the Bank, *ib.* 2131–2134——The general question of restriction upon issue should be left to the discretion and progressive intelligence of the Bank Direction, without any reference to legislative enactment, *ib.* 2193–2205.

Individually, witness sees no objection to a discretion in the Bank to issue notes, which should not be a legal tender, not against bullion, *Alexander* 4319.

Under defined restrictions as to the rate of interest at which the Bank might increase its issues in certain emergencies, the extent of the increased issue, and whether the emergency were such as to justify such issues, should be left to the discretion of the Bank, *Chapman* 5163–5173.

Recommendation by Mr. Palmer that the discretion and responsibility of issue, beyond a fixed amount, be thrown upon the Bank, *App. p.* 6.

Suggestion by Mr. Masterman that a power of relaxation should be vested in a tribunal consisting of the First Lord of the Treasury, the Chancellor of the Exchequer, the President of the Board of Trade, and the two Chairs of the Bank, *App. p.* 10.

Statement by Mr. F. Wilson in favour of a temporary power of relaxation, *App. p.* 10.

2. *Objections to an Increase in the Power or Responsibility of the Bank:*

Inexpediency of empowering the Bank, by Act of Parliament, to break through the restrictions of the law in time of emergency, *Hubbard* 2384–2386——Strong objection to a power of indefinite issue, as held by the Bank previously to 1844, *ib.* 2632–2643.

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Discretionary Issue—continued.

2. *Objections to an Increase in the Power, &c. of the Bank*—continued.

Witness objects to any relaxation of the Act of 1844 which should throw more discretion and responsibility in the Bank Direction, and considers it very probable that an absolute discretion in the Bank, in regard to issues, would not have resulted in so wise a course as that which is now pursued by the Bank, *Norman* 3538, 3539. 3610-3624.

Universal experience has shown that, with regard to the regulation of paper money, discretionary action cannot be safely trusted, *Right Hon. Lord Overstone*, 3995.

Objections urged by Mr. Weguelin to a power of relaxation of the Act of 1844, *App. p.* 3.

Objections urged by Mr. Neave to a power of relaxation in the Bank Directors, *App. p.* 5.

Remarks by Mr. J. G. Hubbard upon the inexpediency of vesting the Bank Direction with a power of relaxation, *App. p.* 12.

Objection by Mr. Norman to any change in the stringent character of the Act, and to any power of relaxation in the Bank Direction, *App. p.* 15.

Discussion (*Currency System*). Disapproval of detailed discussions upon the monetary system and the banking regulations of the country, *Right Hon. Lord Overstone* 3679. 3703-3705. 4125.

Disapproval by Mr. Cotton of discussions at the present time on the various schemes for regulating the circulating medium, *App. p.* 6.

Deprecation by Mr. Dobree of discussion at the present moment, *App. p.* 21.

Distress. See *Drains of Bullion and Monetary Pressures. Over-Issues. Trade and Commerce.*

Dobree, Bonamy. Letter from Mr. Dobree to the Governor of the Bank of England, dated 5th November 1856, with reference to the Acts of 1844 and 1845, and suggesting, with a view to the prevention of violent fluctuations in the rate of interest, as under the Act of 1844, that the Bank be relieved from the obligation of buying all gold bullion in exchange for notes, at so much per ounce, *App. p.* 21, 22.

Drains of Bullion and Monetary Pressures:

I. *Pressures between the Years* 1783 *and* 1844:

1. Generally: Advantage if the Act of 1844 had been in operation.
2. Pressures in the Years 1783, 1793, 1795, and 1797.
3. Pressure in the Years 1823-25.
4. Pressures between the Years 1833 and 1839.

II. *Pressure in the Years* 1846-47:

1. Character and Extent of the Drain in 1847.
2. Operation of the Bank under the Act of 1844, considered.
3. Operation of the Government Letter of October 1847.

III. *Pressure in the Years* 1851-57:

1. Character and Extent of the existing Drain.
2. Measures of the Bank, under the Act of 1844.

IV. *Generally as to the Practice of the Bank, and the Operation of the Act.*

I. *Pressures between the Years* 1783 *and* 1844:

1. Generally: Advantage if the Act of 1844 had been in operation:

Evidence in detail with reference to the several monetary pressures between 1783 and 1844, showing that the evils which arose on those occasions were mainly owing to over-issues of paper money, and that such evils must have been mitigated or prevented, if the Act of 1844 had been in operation, *Right Hon. Lord Overstone* 4173-4188.

2. Pressures in the Years 1783, 1793, 1795, and 1797:

Statement showing that in 1783 and 1795 a severe exhaustion of the bullion was surmounted, and the adverse exchanges corrected, by a resolute and extraordinary degree of contraction of the circulation; in other words, the principle of the Act of 1844 was applied by anticipation, and was found effectual, *Right Hon. Lord Overstone* 4176—— Particulars relative to the severe crisis and panic in 1792 and 1793; disasters consequent on over-issue, *ib.* 4177——Statement to the effect that, as regards the crisis of 1797, it would have been got over, if the Bank had continued to suppress notes as the gold went out, *ib.* 4178, 4179——Doubt, however, with regard to the pressure of 1797, whether the Suspension Act was not a justifiable measure, *ib.* 4179.

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DRAINS OF BULLION AND MONETARY PRESSURES—continued.

I. *Pressures between the Years* 1783 *and* 1844—continued.

2. Pressures in the Years 1783, 1793, 1795, and 1797—*continued.*

Further reference to the crisis of 1797, and to the possibility of meeting the same by a different action on the part of the Bank, *Right Hon. Lord Overstone*, 4237-4239.

Reference to very severe commercial pressures in 1783, 1793 and 1797, in consequence chiefly of the withdrawal of gold from the country; convertibility at this period of the Bank note, *Twells* 4378-4393——Issue of 5*l.* notes by the Bank for the first time in 1793; this was some relief, *ib.* 4392——Continued pressure from 1795 till 1797, in which year the Bank Restriction Act was passed; great relief and improvement consequent upon this Act, *ib.* 4394-4441——Circumstance of corn having been imported in exchange for commodities at this period, and without the instrumentality of an export of bullion, *ib.* 4407-4419.

3. Pressure in the Years 1823-25:

Remarks on the immense decrease of bullion in the Bank between August 1823 and August 1825, owing to a foreign drain, *Weguelin* 1015-1034——In 1825 the Bank had not power to raise the rate of discount beyond five per cent. as a means of checking the efflux of bullion, *ib.* 1025, 1026——In 1825 the gold went unobserved out of the country, there having been no proper record of the reserve at the time, *Neave* 1034, 1035——Crisis of 1825 adverted to, as having been largely aggravated by the increase of country issues and of the issues of the Bank of England, *Norman* 3373-3381.

Evidence relative to the crisis of 1825, showing that between 1821 and 1825 there was a most mischievous excess of paper issues, *Right Hon. Lord Overstone* 4182, 4183——Great reduction of the bullion in the Bank, in consequence of the over-issues, *ib.* 4182——Argument, that if the Act of 1844 had been in operation in 1824 and 1825 it must have prevented, or largely mitigated the evils which occurred, *ib.*

Reference to the pressure of 1825, as having fallen chiefly on the banking interest *Chapman* 5345-5348.

Return of 1,261,000*l.* as the lowest amount of bullion in the Bank in 1825, *App. p.* 89.

4. Pressures between the Years 1833 and 1839:

Circumstances connected with the drain of 1839, when, notwithstanding a considerable reduction in the circulation, the Bank was obliged to borrow 2,000,000*l.* from the Bank of France, *Mill* 2122-2130. 2141-2147——Reference to the severe foreign drain which ceased in March 1837, and to the large increase of notes in circulation, which preceded and prolonged such drain, *Norman* 3389-3406——Peculiarly severe drain in 1839, preceded and aggravated by a considerable increase of circulation; severe measures necessary on this occasion, *ib.* 3407-3430.

Decided over-issues of paper money in the years 1837 and 1839, *Right Hon. Lord Overstone* 4184-4187——If the provisions of the Act of 1844 had been applied in the period between 1833 and 1839 it would have been impossible that such disasters could have occurred, *ib.* 4184, 4185——Probable aggravation of the state of things in this country, in 1837, by the demand for money in America, *ib.* 4240, 4241.

Return of 3,831,000*l.* as the lowest amount of bullion in the Bank in 1837, *App. p.* 89.

Return of 2,406,000*l.* as the lowest amount of bullion in the Bank in 1839, *App. p.* 89.

II. *Pressure in the Years* 1846-47:

1. Character and Extent of the Drain in 1847:

Consideration of the state of the circulation and reserve at different periods in October and November 1847, and in October and November 1856; the maximum diminution in the reserve in 1847 proceeded from a regular cause, and if understood, would not have so much alarmed the public, *Weguelin* 63-76——Witness is not aware of any house having stopped payment in 1847 which had good bills to offer, *ib.* 221, 222——Negotiable character of Exchequer bills in 1847, though they were doubtless at a great discount, *ib.* 223, 224——Alarm only in October 1847, in regard to the state of the Bank reserve, *ib.* 288, 289.

The pressure of 1847 was caused by the paucity of capital in relation to the demand for it, *Right Hon. Lord Overstone* 3834, 3835.

Depreciation of property to the extent generally of not less than 300,000,000*l.* by the panic and discredit in 1847, *Alexander* 4263-4265——The sale of Exchequer bills in October 1847 was impossible, *Chapman* 5107. 5305——The money required for foreign payments, in consequence of the large import of corn, was the cause of the drain, *ib.*

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Drains of Bullion and Monetary Pressures—continued.

II. *Pressure in the Years* 1846-47—continued.

1. Character and Extent of the Drain in 1847—*continued.*

5217, 5218——Different character of the distress in 1847 from that in 1825: in 1847, the panic was more general, and affected more especially the commercial classes, *Chapman* 5349-5355.

Return of 8,813,000 *l.* as the lowest amount of bullion in the Bank in 1847, *App. p.* 89.

Return of the deposits of bankers, and of the private customers of the Bank; also of the bullion in the Bank, and the minimum rate of discount on each Saturday during the drain of 1846-47, *App. p.* 302. 305.

2. Operation of the Bank under the Act of 1844 considered.

Approval of the rate of interest charged by the Bank in October 1847, *Weguelin* 333, 334——As regards the foreign drain in 1847, in consequence of the bad harvest in 1846, it was out of the power of the Bank to prevent it, *Newmarch* 1703——Consideration of the pressure upon the Bank in 1847, and of the very liberal accommodation then given, *Hubbard* 2380-2382——The Act was thoroughly successful during the pressure of 1847, and Government interference was not at all necessary, *ib.* 2382——Opportunities of the Bank, at the height of the pressure of 1847, for meeting the withdrawal of the deposits of the London bankers, *ib.* 2799-2803.

Examination in regard to the pressure in 1847, and the operation of the Act of 1844 with reference thereto; denial that the restrictions of the Act were otherwise than salutary, or that the panic, and the disastrous effect upon credit, were in any way the result of the provisions of the Act, *Right Hon. Lord Overstone* 3988. 3996-4004. 4061-4095——The non-suspension of specie payments, in the spring of 1847, may be distinctly traced to the provisions of the Act of 1844, *ib.* 3988. 3996-4004. 4061-4063——There is the strongest ground for believing that had blended accounts been in existence in the spring of 1847, specie payments must have been suspended, *ib.* 3988. 3996-4004. 4066-4073.

Further statement with reference to the action of the Bank during the pressure in 1847, showing that the Act of 1844 compelled the adoption of restrictive and wise measures, but that if the restrictions had been adopted at an earlier period of the pressure, much of the evil might have been mitigated, *Right Hon. Lord Overstone* 3996-4010*——Circumstance of a considerable quantity of bullion about to be transmitted from this country to America in 1847, and actually shipped for that purpose, having been retained in the country, in consequence of its increased value through the diminished amount of money, *ib.* 4033-4035——Reference to the check given to the drain in April, as having been the result of the publication of the Bank reserve, *ib.* 4069-4073——A repeal of the Act, instead of the issue of the Government letter, would eventually have been most injurious, *ib.* 4091-4093.

Further reference to the crisis of 1847, to the effect, that notwithstanding the complicated pressure upon the monetary world, the bullion reserve was effectually protected, as it never had been on any previous occasion, *Right Hon. Lord Overstone* 4189.

The pressure in 1847 was the result of the restrictions of the Act of 1844, and of the general and natural apprehension of a scarcity of notes which led to their being hoarded, *Twells* 4726-4732.

In 1847, India bonds and Exchequer bills were not convertible, but not from any want of confidence in them, *Chapman* 5304, 5305.

Remarks by Mr. J. O. Hanson as to the power of the Bank during the crisis in 1847, still to have carried out the Act in its integrity, *App. p.* 19.

3. Operation of the Government Letter of October 1847:

The reserve in October and November 1847, would doubtless have increased without the issue of the Treasury letter of 25th October, *Weguelin* 69-72. 231-234——The letter was not asked for by the Bank, was not acted upon by them, and had no practical effect upon the state of the reserve, *ib.* 225-234——The object of the letter was to remove the undue alarm caused by the low reserve, *ib.* 228-230. 235.

The letter of October was not at all necessary, *Hubbard* 2383——Government interference was by no means essential for the safe working of the Act, *ib.* 2798, 2799.

Reference to the Government letter as having led to an indefinite increase of the Bank reserve, and at once restored confidence, *Right Hon. Lord Overstone* 3833. 3836, 3837——Not a single note left the Bank in consequence of the letter, *ib.* 3833——Importance of the limitation in the letter, that not a note was to go out under 8 per cent., *ib.* 3837——Further remarks relative to the Government letter, and the immediate restoration of confidence thereby, *ib.* 4090-4095——The letter was, in a certain form, a temporary suspension of the Act, *ib.* 4090.

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II. *Pressure in the Years* 1846–47—continued.

3. Operation of the Government Letter of October 1847—*continued.*

With regard to the crisis in October 1847, witness considers that the Bank could not have gone on, and that there would have been a general stoppage of all credit transactions, but for the Government letter, *Alexander* 4261, 4262. 4269, 4270. 4283, 4284—— Inference unfavourable to the Act from the feeling of relief and confidence which followed the issue of the letter, *ib.* 4262. 4268, 4269.

Reference to the Government letter of 25th October, as having at once relieved a pressure which otherwise might have been most disastrous, *Twells* 4725, 4726——Illustration of the rapid restoration of confidence on the issue of the Government letter, *Chapman* 5149——But for the issue of the letter, there would have been an universal convulsion in the country, *ib.* 5220–5223.

III. *Pressure in the Years* 1851–57:

1. Character and Extent of the existing Drain:

Constant demand for bullion for exportation during the last four years, *Weguelin* 12–15 ——Reduction in the years 1851–56 of more than four and a half millions in the stock of bullion in the Bank, *ib.* 13–15. 18——Estimate of 4,891,000 *l.* in gold, and of 36,530,000 *l.* in silver as the exports to the east from Great Britain and the Mediterranean in the years 1851–57, *ib.* 17.

Causes of the great demand for bullion for exportation; reference more especially to the continued export of silver, *Weguelin* 21–24*; *Mills* 2082–2101. 2260–2268; *Alexander* 4334–4344——Effect of the state of our Eastern trade, and of the Indian railways, &c., in drawing treasure from this country, *Newmarch* 1499–1507——With respect to the drain from this country to France, it can only take place in exchange for silver or something else, *ib.* 1704, 1705. 1905, 1906.

Return of 9,530,000 *l.* as the lowest amount of bullion in the Bank in 1856, *App. p.* 89.

Return of the deposits of bankers, and of the private customers of the Bank; also of the bullion in the Bank, and the minimum rate of discount during the period of pressure from the Autumn of 1853 to the Spring of 1857, *App. p.* 302–305.

2. Measures of the Bank under the Act of 1844:

Unusually large reserve at the commencement of the present drain, otherwise restrictive measures would have been enforced earlier, *Weguelin* 254–258. 266, 267——Action of the Bank with a view to the protection of the reserve during the drain of 1855–56, *ib.* 291–297——Question as to the propriety of raising the rate to 5½ per cent. in May 1854; state of the reserve adverted to hereon, *Newmarch* 1431–1434——Salutary operation of the restrictions of the Act during the pressure consequent on the late war, *Hubbard* 2388–2399——But for the Act of 1844, the circulation would have increased at the commencement of the present drain just as it did before the former drains, *Norman* 3435.

With regard to the drain during the last two years, the action of the Bank under the Act of 1844 has been most successful, *Right Hon. Lord Overstone* 3708–3717. 4096. 4189.

Reference to the small note reserve of the Bank in October 1856, as having tended to cause too sudden a contraction of business by money-dealers and others, *Chapman* 4909–4935. 5000–5005——Statement as to witness's firm not having contracted their operations in October 1856, because of a tacit assurance conveyed to them that if a real pressure came, Government would interfere to afford relief, *ib.* 4915–4920——Danger in October 1856, of a recurrence of the evils of 1847, *ib.* 5309, 5310.

IV. *Generally as to the Practice of the Bank, and the Operation of the Act:*

The rate of interest is governed by the state of the reserve, as affected by the demand for bullion, *Weguelin* 32, 33. 236–242. 262. 438–440. 1257, 1258——Less effect of an internal demand than of a foreign demand upon the conduct of the Bank, with regard to precautionary measures, *ib.* 57–60——In the event of the reserve being diminished merely by internal alarm, it would not be prudent to raise the rate of interest, *ib.* 241, 242.

Different views of the directors as to an increased rate of interest, or a restriction upon the term of bills being the best mode of correcting an adverse exchange, *Weguelin* 311–316. 327. 504–510. 1261–1266; *Neave* 327; *Hubbard* 2569. 2574–2577——Any attempt to contract the circulation during an adverse exchange would result in an internal drain, *Weguelin* 762–765.

An adverse foreign exchange may almost always be corrected by the transmission of 3,000,000 *l.* or 4,000,000 *l.* of treasure, *Newmarch* 1373. 1494. 1498–1507——The

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4. *Generally as to the Practice of the Bank, &c.*—continued.

reserve might be temporarily reduced by a drain to 8,000,000 *l.*, or even lower, without necessarily occasioning any extreme pressure on the money market, *Newmarch* 1373, 1374. 1486——Approval of the principle of raising the rate of interest when the bullion decreases, *ib.* 1434–1437. 1459——Safety in allowing the reserve to go lower when there is an internal drain of bullion than when there is a foreign drain, *ib.* 1699–1701.

A drain now acts doubly, first on the banking reserve, and afterwards on the reserve in the issue department, *Mill* 2026. 2033. 2069. 2102——In the case of foreign drains, it is peculiarly important that the issue department should have full power to assist the banking department, *ib.* 2031. 2073, 2074. 2102–2106——Clear distinction necessary to be drawn between the character and effect of drains, inasmuch as when the drain is temporary or limited, it is not essential or expedient to impose violent restrictions for the protection of the reserve, *ib.* 2073, 2074. 2102–2106——Opportunities of the Bank for distinguishing between different drains and their effects, and regulating their mode of action accordingly, *ib.* 2073–2075. 2106. 2135–2137. 3195–2201.

When a drain arises from over speculation, it should be left to the discretion of the Bank not to re-issue notes that are returned to them, *Mill* 2075. 2104. 2131——When a drain is limited, it should be met by the bullion in reserve, rather than by violent restrictions upon credit, *ib.* 2120, 2121. 2185, 2186——It does not follow that if the Act were not in existence, a foreign drain would have the same effect upon the bullion as it now has, *ib.* 2153–2158—— Foreign drains need not, if limited, be met by a restriction of discounts, such as occurs under the present Act, *ib.* 2307–2310.

Diminution of the bullion in the Bank, whether the drain be for home or foreign purposes, *Hubbard* 2339——Sales of securities, and advances in the rate of discount, are the twofold means for checking an efflux of bullion, *ib.* 2387, 2388——A continued action upon the rate of discount is the best mode of correcting the exchanges, *Hubbard* 2568–2574. 2768–2773; *Norman* 3529——The Act has not in any way aggravated the effect of a drain of bullion, *Hubbard* 2773. 2796.

A large import of gold at certain times would not prevent an equally large, or even larger amount being drawn from the Bank at other times, *Norman* 2886——It was generally held, before the passing of the Act of 1844, that in proportion as bullion was withdrawn from the country, the internal currency should be contracted, *ib.* 3204 —— Probable reason of the difference between the circumstances of the different drains, *ib.* 3483.

Less ultimate mischief in the case of drains which have occurred since the Act of 1844, *Norman* 3513–3515. 3610——Under the self-acting test of the Act of 1844, the contraction commences with the drain, and goes on proportionately with it, *ib.* 3516. 3518. 3610——Examination to the effect that a contraction of the circulation is sufficient, if carried far enough, to restore the equilibrium of the exchanges; state of things during the drain of 1839 adverted to hereon, *ib.* 3551–3567.

At the commencement of a drain, the corrective influence of the Act is at once brought into play, *Right Hon. Lord Overstone* 3650, 3651——During the process of a drain of bullion, there must, of necessity, be some pressure as a means of rectification, but such pressure is decidedly salutary, and the sooner it is resorted to the better, *ib.* 3745. 3782–3786——Ordinarily speaking, the bullion which goes to meet adverse foreign exchanges comes from the reserve in the issue department, *ib.* 3919–3921. 3929, 3930. 3936——Statement in support of the proposition, that as the money of the country undergoes a diminution of amount, its value increases, and that in proportion to such increased value, bullion will flow in from other countries, *ib.* 3937–3943. 4029–4048. 4112–4117.

The same rules which apply to the export of bullion apply to the export of any other commodity, *Right Hon. Lord Overstone* 4137–4146——The export of bullion by any individual is the export of so much of the capital or property of that individual, *ib.* 4138–4142.

Origin of monetary pressures and drains of bullion in the want of a circulating medium of undoubted credit, *Twells* 4536–4538.

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Remark by Mr. Weguelin, in letter of 10th November 1856, that the Act of 1844 is imperfect in drawing no distinction between an internal and a foreign drain for bullion, *App.*

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IV. *Generally as to the Practice of the Bank, &c.*—continued.

App. p. 1, 2——Statement by Mr. Weguelin as to the opposite treatment required, respectively, for a foreign and an internal drain, *ib.*

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Duncan, W. J. Letter from Mr. Duncan, manager of the National Bank of Scotland, to Sir G. C. Lewis, dated 29th November 1856, in general approval of the Act 8 & 9 Vict. c. 38, but suggesting that it might be expedient to revise and extend the authorised issues of Scotch banks, *App. p.* 331.

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Edinburgh and Glasgow Bank. This bank represents the very serious disadvantages which, from not being incorporated, it is by the Act 7 & 8 Vict. c. 113, extended to Scotland in 1846, made to suffer in comparison with other Scotch banks which had obtained charters of incorporation before the passing of such Act; and from not being allowed to obtain incorporation except by subjecting itself to disabilities from which other banks are exempt, *App. p.* 332, 333.

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Extension of Issue:

I. *Bank of England:*

1. Recommended Extension generally of the Issue upon Securities.
2. Suggestions for an Extension in Periods of Pressure.
3. Objections to any Extension or Alteration of the Amount.

II. *Country Banks:*

1. Statements in favour of a Power of increased Issue on Securities.
2. Objections to any Extension of the present Issues.

I. *Bank of England:*

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An extension of the credit circulation would be better than no alteration at all, *Newmarch*, 1548–1552——According to the principle of the Act the credit circulation of the Bank should now be increased from 14,000,000*l.* to 16,500,000*l.*, or thereabout, *Mill* 2210–2217.

Inexpediency of giving the Bank the right of an additional issue of 2,500,000*l.* without restricting them in regard to the profits therefrom, *Chapman* 5389–5401——Question whether an addition of 2,500,000*l.* to the amount issued on securities would result in a *pro tanto* addition to the notes in the hands of the public, *ib.* 5390–5405.

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The only plan for obviating the evils of a withdrawal of the circulation through panic, &c., is to make some legislative provision for extended issues under special circumstances, *Chapman* 5229, 5230. 5236——The demand upon the Bank in 1847 would not have been nearly so great if there existed a provision for extended issue, *ib.* 5239.

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Except as regards the lapsed issues of country banks, it is not desirable to extend the credit issue of the Bank of England, *Hubbard* 2354–2364——The effect of an addition of 2,000,000*l.* to the credit issue would be that the notes in the hands of the public would not be increased, whilst the bullion reserve of the Bank would be diminished by the amount thus added to the credit circulation, *ib.* 2358–2364——Objection to an extension of the credit issue to 16,000,000*l.*, on the ground of the changes which have occurred in the circulation of different denominations of notes, *ib.* 2690–2694——The result of an extension of issue to 16,000,000*l.* would be that the Issue Department would hold 2,000,000*l.* more of securities and 2,000,000*l.* less of bullion, *ib.* 2695, 2696.

Objection to raising the limit from 14,000,000*l.* to 16,000,000*l.*; the effect would be to diminish *pro tanto* the bullion reserve of the Issue Department, without increasing the quantity of notes in the hands of the public, *Norman* 2871–2876——Examination in further consideration and approval of the credit circulation being still fixed at 14,000,000*l.*, although in point of fact the minimum active circulation of the Bank since the Act of 1844 may not have fallen below 16,500,000*l.*; further argument that an increased issue of 2,000,000*l.* on securities would merely result in there being 2,000,000*l.* less of gold in reserve, *ib.* 3013–3029. 3060–3094.

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II. *Country Banks*—continued.

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Fordham, J. G., & Sons (Royston). Memorial of these bankers, suggesting that the time permitted for taking the averages of the circulation be extended from one month to six months, and that the year be divided into two periods of six months each; and requesting to be put upon the same footing as the Scotch and Irish banks in regard to issue, *App. p.* 351.

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The bills received by the Bank for discount are an important evidence of the amount of operations connected with the foreign payments of the country, *Hubbard* 2567.

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G.

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Gloucestershire Banking Company. Memorial of the Gloucestershire Banking Company, submitting that it would be no infringement of the principle of the Act of 1844, yet of great benefit to them and their customers, to take the averages half-yearly instead of monthly; also that they be allowed to issue notes beyond their specified limit for a sum equal to the gold and silver held by them, *App. p.* 349, 350.

Gold:

1. *As to the Purchase of Gold by the Bank.*
2. *European Imports and Exports since* 1851.
3. *Effect of the large Imports upon the Bank Reserve.*
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1. *As to the Purchase of Gold by the Bank:*

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Great and valuable effect of the imports of gold in enabling the country to meet the existing drain of bullion, *Chapman* 5310–5314——It is impossible to say what the consequences of the Act would have been, had the gold discoveries not taken place, *ib.* 5310, 5311.

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4. *Internal Circulation; Increase of late Years:*

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Inconvertible Notes:

1. *Proposition for the Issue of Inconvertible Notes.*
2. *Objections to the foregoing Proposition.*

1. *Proposition for the Issue of Inconvertible Notes:*

Suggestion that in lieu of Bank notes issued on securities, there be an issue of legal tender notes, receivable by Government in payment of taxes, but not convertible into specie on demand, *Alexander* 4259. 4270 *et seq.*——These notes should be issued by Government, the Bank of England should receive them in return for securities, and they should be a legal tender when paid out of the Bank, *ib.* 4259, 4260. 4270–4273. 4290–4295. 4352——Way in which the position of the Bank would be much strengthened by the proposed inconvertible notes to be issued by Government, *ib.* 4270 *et seq.*

More equable state of the money market under the proposed system, *Alexander* 4273——Belief that if the Bank had had power in 1847 to issue inconvertible notes on security, the panic would have been obviated, *ib.* 4274–4276. 4287, 4288——Beside the proposed inconvertible notes, the Bank of England should issue upon gold, *ib.* 4289, 4290——The holders of bank notes only should have a right to claim gold in payment for their notes, *ib.* 4291–4299——The so-called inconvertible notes would, as being receivable in payment of taxes, be to that extent convertible; this is an essential point, *ib.* 4297–4299. 4303–4307——The maximum issue of these notes might be fixed at 20,000,000 *l.*, *ib.* 4300–4302——Belief that the proposed notes would not be at a discount as compared with the convertible notes, *ib.* 4308.

As an improvement upon the issue of 14,000,000 *l.* on notes payable on demand, witness recommends the issue of 14,000,000 *l.*, or rather of 20,000,000 *l.* in notes, promising to be receivable by Government in aid of taxes, such notes to be in fact legal tender notes, but not convertible into gold, *Twells* 4541 *et seq.*——Anticipated steadiness in our commercial transactions, and in the rate of interest under the proposed system of inconvertible tender notes, *ib.*

Besides the 20,000,000 *l.* of inconvertible notes, there ought to be an issue of 4,000,000 *l.* or 5,000,000 *l.* in convertible notes, *Twells* 4543, 4544. 4547——The proposed legal tender notes convertible into taxes could not oscillate in amount, *ib.* 4553–4555——The practice of over-issue, as adopted by the French Government, must be avoided, *ib.* 4566, 4567——It is almost impossible that there should be an excess of issue of the proposed notes by the Bank of England, *ib.* 4567——Great improbability of fluctuation in the value of the proposed notes; less fluctuation than in the value of gold, *ib.* 4568–4578. 4611. 4625.

It is immaterial whether the proposed notes be issued by the Government or by the Bank of England, but the latter body could best undertake the issue, on account of the completeness of its machinery, *Twells* 4585, 4586. 4632.——Witness contemplates that country bank notes should be convertible into the proposed legal tender notes, *ib.* 4618. 4628——Witness anticipates that 20,000,000 *l.* in inconvertible and legal tender notes would, under a proper system, be adequate to meet the expanding wants of trade, *ib.* 4624-4630.

Further statements that the proposed 20,000,000 *l.* of inconvertible notes would cause greater uniformity and steadiness in the value of the legal tender than is now the case, *Twells* 4634 *et seq.*——Improbability of any depreciation in the inconvertible and legal tender

INCONVERTIBLE NOTES—continued.

1. *Proposition for the Issue of Inconvertible Notes*—continued.

tender notes, as in the case of the French assignats, *Twells* 4634-4641. 4764-4768——The advantage in the inconvertible notes consists in the fact that gold cannot be required for them, more especially for foreign purposes, *ib.* 4634. 4642.

Examination as to the purchasing power respectively of a 5 *l.* inconvertible note, and of five sovereigns, *Twells* 4635, 4636. 4644-4647. 4655 *et seq.*——The principle of inconvertibility is not violated by making the notes receivable in payment of taxes, *ib.* 4643, 4644——Reason for fixing the amount of inconvertible notes at 20,000,000 *l.*; 14,000,000 *l.* might be sufficient, or the Bank might be safely trusted with a discretionary power as to the limit issued, *ib.* 4663, 4664. 4709-4711. 4743, 4744. 4807——By a proper limit upon the issue of paper, and by making it inconvertible, a more uniform and a sounder currency may be arrived at than by means of anything which is dependent upon barter, *ib.* 4712-4720.

Besides the proposed inconvertible notes, there should be an issue of notes upon bullion, not fixed in amount, but according to the varying rate of the bullion in the market, *Twells*, 4722-4724. 4735, 4736——Belief that the convertible currency and the gold would not rise to a premium, as compared with the inconvertible currency; but if such were to happen, there would be no inconvenience in it, *ib.* 4757-4763——Wide difference between the proposed inconvertible notes and the French assignats, *ib.* 4764, 4765——An issue of convertible notes, as well as an issue of fourteen or twenty millions of inconvertible notes, could not result in a similar fluctuation in the aggregate circulation, as is now the case, *ib.* 4796-4809.

Approval of the proposition for an issue of 20,000,000 *l.* in inconvertible notes in lieu of the issue on securities, *Capps* 5422. 5456-5460——Improbability of the inconvertible notes being at a discount as compared with the notes issued by the Bank on gold; belief, on the other hand, that the former notes might in time be more valuable than gold, *ib.* 5422, 5423. 5458, 5459. 5474. 5485. 5534. 5540——As regards the French assignats, they were issued upon no principle at all, because no provision was made for their redemption, *ib.* 5485——Under a system of inconvertible notes for internal use, there would be no difficulty in settling foreign tranctions, *ib.* 5486-5492——Form in which inconvertible notes might be issued as regards their value to the holders, *ib.* 5528-5533.

2. *Objections to the foregoing Proposition:*

Respect in which, if the note were inconvertible, there would not be the same control upon the issue as now exists, *Newmarch* 1829-1843. 1939-1963——Difficulty, nevertheless, in increasing the issue of inconvertible notes, as shown by experience previously to 1820, *ib.* 1835. 1843——Issue of inconvertible notes by Government only; private bankers can have nothing to do with such issue, *ib.* 1946-1951——An inconvertible circulation may be issued without its becoming suddenly excessive; illustrations of this, *ib.* 1954. 1957-1960.

Witness can hardly conceive it possible to add to the circulation by issuing inconvertible notes, *Norman* 2930-2937——Inconvertible notes would be little more than waste-paper, *ib.* 2931, 2932——A limited issue of 14,000,000 *l.* in inconvertible notes would probably be of the same value as 14,000,000 *l.* in metallic currency, *ib.* 3052-3059.

Evidence strongly opposed to a proposition for the issue of 14,000,000 *l.* in inconvertible notes not payable in specie on demand, conjointly with the issue of a further amount of notes, equal to the amount of bullion, which should be payable on demand, *Right Hon. Lord Overstone* 3812-3825——There would at once be a discount upon the inconvertible notes, and the difference of value between them and the convertible notes would create a state of confusion impossible to be endured, *ib.* 3822-3825.

Further evidence strongly opposed to the proposition for an issue of a certain quantity of notes payable for taxes, *Right Hon. Lord Overstone* 4049-4060——Witness repeats that the proposed notes would be at a discount, as compared with the convertible notes payable in specie on demand, and very disastrous confusion would be the result, *ib.* 4049-4054.

See also *Import of Corn.*

India (*State of the Exchanges*). Large sums leaving this country, in treasure or material, on account of the Indian railways, *Newmarch* 1499-1503. 1790——Grounds for concluding that the exchanges with India are in favour of this country, notwithstanding the large amount of bullion being continually transmitted to the East, *ib.* 1786-1789——To the amount of exports from this country to India is to be added the amount of India House drafts; that is, the funds drawn from India by the East India Company; explanation hereon, showing how these drafts can be said to balance a corresponding amount of imports, *ib.* 1786. 1915-1925.

See also *Drains of Bullion and Monetary Pressures*, III. *Silver.*

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India Trade. The India trade is carried on upon very long credits, and chiefly in bills, *Alexander* 4252——The operation of the Bank of England is of very great importance to the trade, *ib.* 4253, 4254——Importance of less frequent variation in the rate of interest in the case of the India trade, and other trades conducted on long credits, *ib.* 4273. 4326. 4363——State of the East India trade at the present time; unprofitable nature of witness's trade; *ib.* 4330–4333. 4364, 4365.

Influx of Bullion. See *Gold*, 2, 3. *Reserve of Bullion.*

Insolvency of the Bank. Propriety of dismissing from one's calculations so remote a contingency as an insolvency of the Bank, *Weguelin* 1284–1286.

Interest on Deposits. Interest is not allowed by the Bank on private deposits; inexpediency of forcing upon the Bank a system of interest on deposits, as in the case of joint stock banks, *Weguelin*, 159–161. 243–246. 537. 540.

See also *Joint Stock Banks.*

Interest on Loan. Explanation as to the Bank receiving only three per cent. on their loan of 11,000,000 *l.* to the Government, *Weguelin* 336–340. 349——Sense in which this may be considered a sort of compensation for the privileges of the Bank, *ib.* 1240, 1241.

Internal Drains. See *Drains of Bullion and Monetary Pressures.*

Ireland. Necessity, under the Act of 1845, of the Irish banks depositing a certain amount of coin for any issue of notes beyond the amount authorised by law, *Weguelin* 42–45——Complete, though temporary, derangement of the circulation in Ireland by the famine of 1845–46, *Newmarch* 1756–1760——General disapproval of the limit upon issue, *Mill* 2057–2059.

Return of the circulation of the Bank of Ireland, and of private and joint stock banks in Ireland, in each month, from September 1833 to April 1857, *App. p.* 148–152.

Return showing the authorised issues of the banks in Ireland, the actual amounts issued, and the amounts of bullion held by these banks in each week since the passing of the Acts of the 7 & 8 Vict. c. 32, and 8 & 9 Vict. c. 37 and 38, to the 9th May 1857, *App. p.* 182–203.

Account of the aggregate weekly circulation of the notes of banks of issue in Ireland, distinguishing those of 5 *l.* and upwards, and those under 5 *l.*, and showing the total amount, with the amount of bullion held from the 13th December 1844 to the 9th May 1857, *App. p.* 204–213.

Account of the aggregate weekly circulation of the banks in Ireland, from the 19th October 1844 to the 9th May 1857, *App. p.* 214–232.

Return of the number of banks of issue and of non-issue that have been established in Ireland, in each year from 1819 to the present time, distinguishing joint stock banks from private banks; of the number which have relinquished business in each year, distinguishing banks of issue and of non-issue, private banks and joint stock banks; and of the number which have relinquished business in consequence of failure and other causes, *App. p.* 237.

Account of the number of banks of issue in Ireland at the time of passing of the Act of 1845, and whose issues were fixed by that Act; also the number which still continue in existence as banks of issue, *App. p.* 238.

See also *Act* 8 *&* 9 *Vict. c.* 38. *Bank of Ireland. One Pound Notes. Uniform Currency.*

Issue Department (Bank of England):

1. *Absence of any Connexion, save mechanically, between the Issue Department and the Bank of England.*
2. *Functions of the Department.*
3. *Objections to the Management of the Department being transferred from the Bank.*
4. *How far the Banking Department has, in right of its Notes, any special Claim upon the Issue Department.*
5. *Profits of Issue: Arrangement with Government hereon.*

1. *Absence of any Connexion, save mechanically, between the Issue Department and the Bank of England:*

There is a legal and virtual distinction between the Issue and Banking Departments, though it may be called merely a distinction of accounts, *Weguelin* 164, 165. 775–777——The Bank of England are merely administrators of the Issue Department, *Neave* 1144, 1145—— Practical and legal distinction between the Issue and Banking Departments; obligation upon the Bank to abide thereby, *Mill* 2033, 2034——Perfect character of the separation, though the two departments are managed by the same body, *Hubbard* 2326——Purely mechanical character of the operations of the Issue Department, *ib.* 2340. 2387.

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ISSUE DEPARTMENT (BANK OF ENGLAND)—continued.

1. *Absence of any Connexion, save mechanically, &c.*—continued.

The term "Bank" should not be associated with the Issue Department at all; the Bank have not in fact any power whatever over the issues, and are merely the mechanical agents of Government in the matter, *Right Hon. Lord Overstone* 3664-3671——The Issue Department belongs to the State, and its management by the Bank of England is merely of a mechanical nature, *ib.* 3953-3959——The Bank merely contracts to do the business of the Issue Department on behalf of the State, being allowed certain profits and incurring certain risks, *ib.* 3954-3959——The Issue Department is now as distinct from the Bank of England as is necessary for all purposes which have reference to the principles affecting the regulation of the exchanges, *ib.* 3969.

Phraseology of portions of the Act adverted to, with reference to witness's view that the Bank of England has not, save mechanically, any connexion with the Issue Department; the Act clearly provides that the department shall be conducted altogether irrespectively of the banking business, *Right Hon. Lord Overstone* 4015-4018——In the Issue Department the Bank have no discretionary action, *ib.* 4015, 4016. 4155, 4156——Witness cannot understand that the term Bank of England includes the Issue Department, *ib.* 4018.

Further evidence in support of the statement that the Issue Department belongs to the State, and has not, save mechanically, any connexion with the Bank of England, *Right Hon. Lord Overstone* 4155-4162——The accidental form in which the banks are paid for the conduct of the issues does not affect the question of the distinct separation of the Issue and Banking Departments, *ib.* 4157-4162.

2. *Functions of the Department:*

Simple and most useful office performed by the Issue Department in placing the currency upon a solid basis, *Hubbard* 2340——The Issue Department is not subject to any control by the Banking Department, its function being merely to exchange notes for gold, *Norman* 3442, 3443—— Outline of the functions and working of the department, *Right Hon. Lord Overstone* 4143-4145.

3. *Objections to the Management of the Department being transferred from the Bank:*

Evidence in favour of the functions of issue remaining, as at present, in the Bank of England, under the control of the State, instead of being undertaken directly by the State, *Weguelin* 78-82. 771 *et seq*; *Hubbard* 2453-2480; *Norman* 2953-2963; *Right Hon. Lord Overstone* 3663-3671——Sundry arguments opposed to any greater separation than at present of the Issue Department from the Banking Department, *Weguelin* 83-87——Convenience in the departments being under the same roof, *Weguelin* 83-87; *Hubbard* 2326.

Arguments adduced by Mr. Weguelin, in letter of the 10th of November 1856, against the separation of the Issue Department from the Bank of England, *App. p.* 3.

4. *How far the Banking Department has, in right of its Notes, any special Claim upon the Issue Department:*

As regards the present separation of the Banking and Issue Departments, the bullion in the latter would nevertheless be liable to pay the debts of the former in the event of the Bank coming under the Winding-up Act, *Weguelin* 785, 786. 811-824——Words in the Act which infer that the directors are restrained from taking bullion out of the issue department without bringing in or cancelling notes for it, *ib.* 1269-1272. 1278, 1279.

The bullion in the specie department is no more applicable to the payment of notes held by the banking department than it is to the payment of any other bank notes, *Norman* 2965——Equal liability of the issue department in regard to the notes in the banking department, and the notes in the hands of ordinary bankers; how far this proposition is affected by the fact of the two departments constituting one corporate body, *ib.* 3229. 3256-3285. 3358-3360——The Bank, or rather the issue department, derives a profit from the notes in the hands of the public, but not from the notes in the banking department, *ib.* 3263-3268.

5. *Profits of Issue: Arrangement with Government hereon:*

Calculation, showing a net profit to the Bank of 80,000*l.* a year on the issue of 14,000,000*l.*, *Weguelin* 137-142——Explanation as to the sum of 120,000*l.*, plus 60,000*l.*, for exemption from stamp duty, as paid by the Bank for the privilege of issue, *Weguelin and Neave* 139. 341-348——The expenses of issue are about 160,000*l.* a year, *Weguelin* 139. 350-352——Fairness in estimating the gross profit upon issue at 3 per cent. on 14,000,000*l.*, *Weguelin* and *Neave* 353-357——The profit derived from the issue is generally much exaggerated, *Weguelin* 797-801. 806——The net profits of the Issue Department are 350,000*l.* a year, of which the State receives 250,000*l.*, and the Bank for its agency 100,000*l.*, *Hubbard* 2456.

Report, 1857—*continued.*

Issue Department (*Bank of England*)—continued.

5. *Profits of Issue: Arrangement with Government hereon*—continued.

Proposition that all profits arising from the issue of paper certificates or bank notes should be appropriated to the public exchequer, *Right Hon. Lord Overstone* 3648——The profit derived from paper issues may be considered as going to Government, the latter making a certain bargain with the Bank on the basis of that principle, *ib.* 3970–3972.

See also *Accounts* (*Bank of England*). *Central Bank of Issue. Claim of Depositors and of Noteholders. Government Issue. Interest on Loan. Rate of Interest. Reserve of Bullion* (*Issue Department*). *Reserve of Notes and Bullion* (*Banking Department*). *Separation of Issue and Banking Departments.*

Issues (*Generally*). *See Act* 7 *&* 8 *Vict. c.* 32. *Act* 8 *&* 9 *Vict. c.* 38. *Central Bank of Issue. Circulation. Country Banks. Discretionary Issue. Drains of Bullion and Monetary Pressures. Extension of Issue. Government Issue. Inconvertible Notes. Ireland. One Pound Notes. Rate of Interest. Reserve of Bullion* (*Issue Department*). *Restriction upon Issue. Scotland. Uniform Currency.*

J.

Joint Stock Banks. The joint stock banks in London allow interest on about 35,000,000 *l.* in deposits, *Weguelin* 538, 539——The interest allowed by the joint stock banks has not much affected the deposits in the Bank of England, but has impeded the operations in the Exchequer bill market, *ib.* 541–545——Reference to the gradual diminution previously to 1844 of from 8,000,000 *l.* to 4,000,000 *l.*, in the circulation of private banks, the circulation of joint stock banks having increased in a similar proportion, *ib.* 908. 920. 935.

Great importance of the operations of joint stock banks adverted to with reference to the expediency of an inquiry by the Committee into their management, *Hubbard* 2534–2539.

Reference to the large profits made by joint stock banks under the Act of 1844, *Twells* 4489——Doubt as to the means by which some of the joint stock banks make such large profits, *ib.* 4810–4818.

The joint stock banks have largely adopted the business of discount houses, so far as relates to the receipt of deposits, or money on call, *Chapman* 4943. 5097. 5210.

Comment by Mr. Weguelin, in letter of the 10th November 1856, on the small reserve of the joint stock banks of London; danger thereby, in the event of failure, to the credit of the country, *App, p.* 3, 4.

Return of the circulation of joint stock banks in England, Scotland and Ireland, in each month from September 1833 to April 1857, *App. p.* 148–152.

Account of the aggregate daily circulation of joint stock banks of issue in England and Wales from the 15th October 1844 to the 9th May 1857, *App. p.* 153–181.

Return showing the authorized issues of the notes of the joint stock banks in England and Wales, and the actual amount issued, and the amounts of bullion held by those banks in each week since the passing of the Acts of the 7 & 8 Vict. c. 32 and 8 & 9 Vict. c. 37 and 38, to the 9th May 1857, *App. p.* 182–203.

Account of the aggregate weekly circulation of bank notes in the United Kingdom, distinguishing those of the Bank of England in the hands of the public, and the issues of other banks in England, Scotland and Ireland, from the 19th October 1844 to the 9th May 1857, *App. p.* 214–232.

Return of the number of banks of issue and on non-issue which have been established in England and Wales in each year from 1819 to the present time, distinguishing joint stock banks from private banks; of the number which have relinquished business in each year, again distinguishing banks of issue and of non-issue, private banks and joint stock banks; and of the number which have relinquished business in consequence of failure and other causes, *App. p.* 234——Similar Return in regard to Scotland, *ib.* 235——Similar Return in regard to Ireland, *ib.* 237.

Account of the number of joint stock banks of issue in England at the time of passing the Act of 1844, and whose issues were fixed by that Act; also the number which still continue in existence as banks of issue, the number which have ceased to issue by compounding with the Bank to use Bank of England notes, and the number that have ceased by failing, *App. p.* 238.

See also *Country Banks.*

K.

Kent. Petition of private bankers and joint stock banks (issuers of their own notes), in the county of Kent, praying for an extension from four weeks to eight weeks of the period for striking their average circulation, *App. p.* 353, 354.

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Kerr, Charles James. Letter from Mr. Kerr, Manager of the Edinburgh and Glasgow Bank, to Sir G. C. Lewis, dated the 20th February 1857, offering several objections to the unequal operation of the Acts 7 & 8 Vict. c. 38, and 9 & 10 Vict. c. 75, and suggesting certain amendments therein, *App. p.* 338, 339.

L.

Lancashire Banks. Statement by the bankers of Lancashire, &c., praying to be put on the same footing as Scotch and Irish banks with regard to the issue of notes, *App. p.* 347. 354——Petition of these banks, praying for an extension of the time for striking the average of their circulation, *ib.* 354.

Lapsed Issues (Country Banks):

1. *Contemplation by the Act of* 1844 *that the Country Issues should entirely lapse.*
2. *Failure of the Compensation Clause providing for the abandonment of Issue.*
3. *Particulars as to the Banks whose Issues have lapsed.*
4. *Issue by the Bank of England to the extent of Two-thirds of the lapsed Issues.*
5. *Consideration whether the Bank should not fully replace the lapsed Issues.*
6. *Petition with reference to the continuance of Compensation.*

1. *Contemplation by the Act of* 1844 *that the Country Issues should entirely lapse:*

Evidence to the effect that Sir Robert Peel and the promoters of the Act of 1844 contemplated that the Act would lead to a gradual but complete absorption of the country issues in those of the Bank of England, *Weguelin* 166, 167. 184–188. 899. 912. 913. 941–945; *Newmarch* 1399–1402; *Hubbard* 2429; *Norman* 2939–2942. 3331–3334.

2. *Failure of the Compensation Clause providing for the abandonment of Issue:*

Statement showing that the compensation has not had the desired effect; that is, it has resulted in the abandonment of only between 800,000 *l.* and 900,000 *l.* of country issues, *Weguelin* 899, 900. 936–939. 944; *Hubbard* 2430–2432.

3. *Particulars as to the Banks whose Issues have lapsed:*

Return of any banks, being banks of issue previously to the passing of the Act 7 & 8 Vict. c. 32, which have ceased to issue their own notes, and the amount of the circulation of such banks respectively; showing the amount on which the Governor and Company of the Bank of England founded a memorial, dated the 26th November 1855, and in which permission was granted to them to add to their issue of notes, under the 5th section of the Act 7 & 8 Vict. c. 32, *App. p.* 88, 89.

Account of the number of private banks of issue in England at the time of passing the Act of 1844, and whose issues were fixed by that Act; also the number which still continue in existence as banks of issue, and showing what number have ceased to issue by compounding with the Bank to use Bank of England notes, and the number that have ceased by failing, *App. p.* 238——Similar account in regard to Scotland under the Act of 1845, *ib.*——Similar account in regard to Ireland, *ib.*

4. *Issue by the Bank of England to the extent of Two-thirds of the lapsed Issues:*

The issue to the extent of two-thirds was the result of an application made to Government, at the suggestion of the Chancellor of the Exchequer, *Weguelin* 598——Through the failure of several banks of issue since 1844, and the abandonment of issue by several banks, about 800,000 *l.* of notes have been partly replaced by the Bank of England, *ib.* 897, 898. 912——Substitution by Bank of England notes to the extent of two-thirds of the lapsed issues of private banks further adverted to, *Weguelin* and *Neave* 922–924.

Witness cannot trace any increase in the circulation of the Bank of England notes consequent upon the permission to issue at the extent of two-thirds of the lapsed circulation; the substitution in fact has been imperfect, *Weguelin* 925–928——With regard to the increased issue by the Bank of 475,000 *l.*, Government receives two per cent. from the Bank for such issues, *ib.* 1267.

Principle upon which the Act restricted the re-issue to two-thirds of the lapsed issue, *Hubbard* 2356——There has been no direct issue of Bank of England notes in consequence of the lapsed issues of any country bank, *ib.* 2697–2700.

Reference to the application by the Bank to Government to be allowed to issue to the extent of two-thirds of the lapsed country issues; witness was not a party to this application, *Norman* 3592–3598. 3631——Explanation that the application in regard to the issue by the Bank really emanated from the Government, *ib.* 3629–3632.

Report, 1857—*continued.*

Lapsed Issues (Country Banks)—continued.

5. *Consideration whether the Bank should not fully replace the lapsed Issues:*

The Bank should have been allowed to issue to the full extent of the lapsed issues instead of only to the extent of two-thirds, *Hubbard* 2354-2357. 2485——The full amount of the lapsed issues, namely, 712,500 *l.*, instead of two-thirds, namely, 475,000 *l.*, might have been re-issued by the Bank without any infraction of the principle of the Act, *ib.* 2485——Further reference to the propriety of substituting the Bank of England circulation to the full extent of the lapsed country circulation; belief that coin would not to any appreciable extent take the place of the lapsed issues, *ib.* 2540-2544. 2693.

Objection to the Bank being permitted to increase their issue to the full extent, instead of to the extent of two-thirds of the lapsed issue of country banks; this, however, is a very unimportant matter, *Norman* 2865-2870——Whether the Bank issue to the full or to the extent of two-thirds of the lapsed issues of country banks, is not a matter of the slightest consequence, *Right Hon. Lord Overstone* 3695. 4126.

Opinion of Mr. Hubbard, as stated in letter of October 1856, that unless the Bank issues on securities to an equal amount in substitution of lapsed or commuted country issues, the aggregate credit issue will be needlessly curtailed, *App. p.* 11-13.

6. *Petition with reference to the continuance of Compensation:*

Petition of bankers in the south of England with reference to compensation being continued for the relinquishment of issue, *App. p.* 352.

Latham, Alfred. Letter from Mr. Latham to the Governor of the Bank of England, dated 28th October 1856, in general approval of the Acts of 1844 and 1845, but suggesting certain amendments therein, *App. p.* 16, 17.

Leatham, Tew & Co. With regard to the provincial bank of Leatham, Tew & Co., with which witness was once connected, a condition that they should give security for their circulation would be injurious both to the public and themselves, *Newmarch* 1554-1560.

Leeds. Absence of increase in the circulation at Leeds during the speculation in the years 1842-45, *Newmarch* 1597-1602——Way in which the Leeds bankers obviated the inconvenience of the constant presentation of large cheques at their counters during the speculation in 1845, *ib.* 1603, 1604.

Leeds Branch (Bank of England). Account of the average circulation of twenty-one days' and seven days' bills in each year, from 1832 to 1847, *App. p.* 24——Account of the average circulation of seven days and other bills in each year, from 1848 to 1856, *ib.* 25.——Account of the average circulation of branch bank notes in each year, from 1832 to 1847, both inclusive, *App. p.* 26——Similar account for each year, from 1848 to 1856, *ib.* 27.

Weekly statement of the circulation of twenty-one and seven days' bills during the year 1847, *App. p.* 28, 29——Similar statement during the year 1856, *ib.* 30, 31.

Weekly statement of the circulation of branch bank notes during the year 1857, *App. p.* 32, 33——Similar statement for the year 1856, *ib.* 34, 35.

Leeds Chamber of Commerce. Petition of the Chamber of Commerce of Leeds with reference to the constitution of the Committee, *App. p.* 353.

Legal Tender. The bank note should be a legal tender everywhere throughout the country, except by the issue department, *Right Hon. Lord Overstone* 3946-3951. 4150-4153.

So long as the amount of the legal tender varies with the amount of gold, there must be fluctuation in the rate of discount, *Twells* 4548-4557——Importance of a legal tender not liable to be exported, *Capps* 5445. 5451-5453. 5469-5472. 5480, 5481——Variation in the value of the legal tender in proportion to the supply and demand, *ib.* 5454, 5455.

Suggestion by Mr. Neave that the Bank of England note be made a legal tender throughout the kingdom, *App. p.* 5, 6.

Suggestion by Mr. Palmer that the circulating medium of Ireland and Scotland be assimilated to that of England, and that the Bank of England note be a legal tender throughout the kingdom, *App. p.* 6.

Advantage of making the Bank of England note a legal tender in Ireland and Scotland, adverted to by Mr. Hubbard, *App. p.* 13.

Recommendation by Mr. Norman that the system of legal tender be uniform for the three countries, *App. p.* 15.

Recommendation by Mr. H. W. Blake that the Bank of England note be made a legal tender throughout the United Kingdom, *App. p.* 18.

See also *Banking Department. Inconvertible Notes.*

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Leicester Branch (*Bank of England*). Account of the average circulation of twenty-one days' and seven days' bills in each of the years from 1832 to 1847, *App. p.* 24——Account of the average circulation of seven days' and other bills in each of the years from 1848 to 1856, *ib.* 25.

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Account showing in detail the liabilities and means of the Bank, on the 28th of February and the 31st of August in each year, from 1778 to 1847, *App. p.* 90-92——Similar account for each year, from 1848 to 1856, *ib.* 93.

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Licences to Bankers. Return of amount of duty received for bankers' licences in each year, from 1833 to 1856, *App. p.* 308.

Light Gold. Previously to calling in the light gold, some twelve or thirteen years ago, it was ascertained that one-third of the sovereigns tendered at the Bank were light, *Weguelin* 117——When the light gold was called in, the Bank bought between 11,000,000 *l.* and 12,000,000 *l.* of gold, *ib.*——Light sovereigns are taken at the bullion price of 77 *s.* 9 *d.* the ounce, *ib.* 1249.

Light Silver. Practice of the Bank in regard to light silver; they do not lose by it, *Weguelin* 1245-1248.

Limited Liability. As regards the principle of limited liability, witness altogether disapproves of it, *Right Hon. Lord Overstone* 4133——The principle of limited liability being established, it is only consistent that it be extended to banks, *ib.* 4133-4135——If limited liability be extended to banks of issue it should be on the condition of their surrendering their issues, *ib.* 4134-4136——Limited liability as now applied to the Bank of England is a theoretical limitation, and cannot, by any reasonable supposition, come into practical effect, *ib.* 4154.

Lincoln and Lindsey Banking Company. Petition, signed on the part of this Bank, praying for certain alterations in the Act of 1844, *App. p.* 360, 361.

Liverpool Branch (*Bank of England*). Account of the average circulation of 21 days' and seven days' bills in each year, from 1832 to 1847, *App. p.* 24——Accounts of the average circulation of seven days' and other bills in each year, from 1848 to 1856, *ib.* 25.

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Weekly statement of the circulation of branch bank notes during the year 1847, *App. p.* 32, 33——Similar statement for the year 1856, *ib.* 34, 35.

Liverpool Financial Reform Association. Petition of the Liverpool Financial Reform Association with reference to the constitution of the Committee, and praying that their investigations be searching, and that the inquiry be an open one, *App. p.* 355.

Loan Acts. With regard to the clause in each of the Loan Acts constituting the Bank a corporation until the loan is paid off, the natural inference therefrom is, that the Bank was intended to act as a trustee between the State and the public creditor so long as the national debt lasts, *Weguelin* 367-377——Consistently with the provisions of the Loan Acts the Bank might be stripped of all its privileges, save the management of the debt, *ib.* 382-384.

Lost Notes. Belief that the profit from lost or missing notes does not come to the credit of the issue department; it is about 6,000 *l.* a year, *Weguelin* 358.

Lyall, George. Letter from Mr. Lyall to the Governor of the Bank of England, dated 3d October 1856, in approval of the Acts of 1844 and 1855, *App. p.* 8.

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M'Culloch, Mr. Quotation of the views of Mr. M'Culloch with reference to several crises before 1844, as showing his opinion as to the importance of restriction upon paper issues, *Right Hon. Lord Overstone* 4177. 4180. 4185.

Mackenzie, A. K. Letter from Mr. Mackenzie, Manager of the Commercial Bank of Scotland, to Sir G. C. Lewis, dated the 27th November 1856, in approval of the Act 8 & 9 Vict. c. 38, and deprecating any measure which would admit of excessive competition in Scotch banking, *App. p.* 330.

Malcomson, James. Letter from Mr. Malcomson to the Governor of the Bank of England, dated the 11th November 1856, in approval of the Act of 1844, but suggesting that the amount issuable on securities be raised to 16,000,000 *l.*, and that, as regards the Acts of 1845, there be an early withdrawal of all 1 *l.* and 2 *l.* notes, *App. p.* 19, 20.

Management and Direction (Bank of England):

1. *Duties devolving on the Management on the part of Government.*
2. *Consideration of the Principles which should characterize the Management.*
3. *Character of the Management previously to and under the Act of* 1844.
4. *Constitution of the Court of Directors considered.*

1. *Duties devolving on the Management on the part of Government:*

Enumeration of the duties discharged by the Bank of England as bankers to the Government, *Weguelin* 134-136. 143-156.——The Bank conduct the circulation, manage the public debt, aid in the collection of the revenue, and are, strictly, the private bankers of the Government, *ib.*——List of upwards of forty accounts kept for Government, *ib.* 155——Four divisions of the business of the Bank, *ib.* 335——The Government accept the returns made by the Bank of the actual expenses, *ib.* 365, 366——The issue of paper, and of almost all coined money, is now entirely performed by the Bank as agent for the Government, *Hubbard* 2453. 2463. 2473-2478.

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Remarks by Mr. Thomson Hankey with reference to the proper principles to be followed, and the expediency of continuing the present functions of the Bank, *App. p.* 23.

3. *Character of the Management previously to and under the Act of* 1844:

Witness considers that the Bank has worked satisfactorily under the existing law, *Weguelin* 3 *et seq.*——The directors would have acted in the same manner if the Act had not been passed, *ib.* 5-7. 73, 74——The Act has worked well as regards the administration of the affairs of the Bank, *ib.* 214——The successful management of the Bank during

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3. *Character of the Management, &c.*—continued.

during the last two or three years of pressure was not in any way a consequence of the Act of 1844, *Weguelin* 1217–1221——The same management of the pressure of 1847 as of the recent pressure would hardly have been followed by similar good results; the circumstances of the two periods were widely different, *ib.* 1218, 1219.

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Erroneous doctrine held by the leading directors in regard to issues, when witness first entered the direction in 1821; the rate of interest, and the echéance of bills, were alone looked to, *Norman* 3364–3370. 3568–3574 —— In consequence of the pressure and disasters of 1825, sounder views began to prevail among the Bank direction, and Mr. Palmer, the then governor, devised a rule for the regulation of the issues and the securities, but it was found impracticable, *ib.* 3382–3388——Practice of the Bank in regard to issues, when witness joined the direction in 1821, further adverted to; doubt as to the directors having been induced to increase the issues in consequence of certain enactments by Lord Castlereagh in regard to their lending money upon mortgage, &c. *ib.* 3568–3580——Witness does not consider the expediency of restriction to be any impeachment of the constitution and action of the Bank management, *ib.* 3612–3624.

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Satisfactory operation of the Act of 1844, so far as the Bank of England are concerned, *Twells* 4505——On the whole, the machinery of the Bank is excellent, and the directors spare no expense in accommodating the public, *ib.* 4831.

As regards the present restrictions upon the issues of the Bank, the admirable management of the Bank has hitherto prevented any great evil therefrom, *Chapman* 4895, 4896 ——With regard to the management of the Bank in October 1847, the directors did everything in their power for the public, and even went beyond what could have been expected from them, considering the restriction upon their issues, *ib.* 5244——As regards the management by the Bank of the Government stocks, nothing can be better, *ib.* 5336.

Remarks by Mr. Neave upon the benefit to be derived in the future working of the Act from the experience of the crisis of 1847, *App. p.* 4, 5.

4. *Constitution of the Court of Directors considered:*

Practice in regard to the retirement of directors by rotation, *Weguelin* 446–450—— Approval of the present constitution of the Bank Court, save that the number of directors going out every year might be reduced from eight to six or four, *ib.* 451–460. 1237–1239——The court recently passed a resolution in favour of a reduction of the proportion of directors retiring annually, *ib.* 1260.

Reference to and approval of the suggestions of Mr. Tooke for a reform in the governing body of the Bank with a view to a greater permanency in the executive, *Newmarch* 1394–1398——Approval of Mr. Tooke's suggestion that there be a governor, sub-governor, and deputy governor, to be elected for three years, *ib.* 1395–1397——It is suggested that the three governors be re-eligible trienially, *ib.* 1395——Approval of Mr. Tooke's suggestion that twenty only of the directors be eligible for re-election, *ib.* 1395–1397——Objection to frequent change, as at present, in the executive of the Bank, *ib.* 1398.

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Objection by Mr. Cotton to so many of the directors going out by rotation, *App. p.* 7.

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Minute of the Court of Directors of the Bank, dated 19 February 1857, relative to the provisions of the Act 8 & 9 Will. 3, regulating the election of directors; resolution of the court, that the governor be required to endeavour to obtain an alteration of the law, so as to allow five-sixths instead of two-thirds to be re-elected. *App. p.* 327.

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Manchester Branch (*Bank of England*). Account of the average circulation of twenty-one days' and seven days' bills in each year from 1832 to 1847, *App. p.* 24——Account of the average circulation of seven days' and other bills in each year from 1848 to 1856, *ib.* 25.

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Manufacturing Districts. Remarks on the circumstance of there being no local banks of issue in the manufacturing districts of Lancashire, such districts being adequately and satisfactorily provided for by the circulation of the Bank of England, *Right Hon. Lord Overstone* 3697-3703——Increased demand for capital in the manufacturing districts, *Chapman* 5124, 5225.

Masterman, Thomas. Letter from Mr. Masterman to the governor of the Bank of England, dated 20th October 1856, approving of the operation of the Act of 1844, save in times of domestic panic, and suggesting certain alterations therein, and in the Irish Act of 1845, *App. p.* 10.

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Mill, John Stuart. (Analysis of his Evidence.)—Is not practically acquainted with commercial matters, but has paid considerable attention to the operation of the Bank Act of 1844; 2010——Considers that there should be no restriction upon issue, save that of convertibility, 2011——The proposition of Mr. Tooke that the Bank should keep an average reserve of 12,000,000 *l.* in bullion, could not be enforced by law, 2012–2014——A restriction upon the rate of interest would be better than a restriction upon the amount of bullion; witness is not, however, prepared to recommend the former, 2015. 2070, 2071.

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National Debt, Management of. For the management of the debt the Bank of England receive 450*l.* per million up to 600,000,000*l.*, and beyond that amount 300*l.* per million; profit hereon of about 124,000*l.*, *Weguelin* 141, 142——The money contract as to the price to be paid to the Bank by the public rests upon the same permanent foundation as the incorporation of the Bank, *ib.* 381——Belief that no public body in the country could undertake the management of the national debt with the same security and advantages as are possessed by the Bank of England, *ib.* 432-437——The Bank is paid at the usual rate for the increase of the debt through the Russian war, *ib.* 617-619.

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Natural Regulation of the Currency. The Act of 1844 operates by natural, and not by artificial causes, *Norman* 3454-3457. 3516. 3589-3591——Explanation of the term "natural laws," as now applied to the regulation of the currency, *ib.* 3633, 3634.

Neave, Sheffield. Statement by Mr. Neave in approval of the Act of 1844; consideration and disapproval of sundry alterations suggested therein, *App. p.* 4-6.

See also (*for Analysis of Mr. Neave's Evidence*), *Weguelin, Thomas Matthias, and Sheffield Neave, &c.*

Newcastle Branch (*Bank of England*). Account of the average circulation of twenty-one days' and seven days' bills, in each year from 1832 to 1847, *App. p.* 24——Account of the average circulation of seven days' and other bills, in each of the years 1848 to 1856, *ib.* 25.

Account of the average circulation of branch bank notes in each year, from 1832 to 1847, both inclusive, *App. p.* 26——Similar account for each year, from 1847 to 1856, *ib.* 27.

Weekly statement of the circulation of twenty-one and seven days' bills during the year 1847, *App. p.* 28, 29—— Similar statement during the year 1856, *ib.* 30, 31.

Weekly statement of the circulation of branch bank notes during the year 1847, *App. p.* 32, 33——Similar statement for the year 1856, *ib.* 34, 35.

Newmarch, William. (Analysis of his Evidence.)—Has been secretary for six years to the Globe Insurance Office; had considerable experience previously in banking transactions, 1335-1338——Has been associated with Mr. Tooke in the preparation of the latest volumes of his work on prices, and concurs generally with the views expressed by Mr. Tooke, 1339-1341. 1368-1411——Has paid considerable attention to the effect of the Act of 1844, 1340.

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Newmarch, William. (Analysis of his Evidence)—*continued.*

Absence of any power in the Bank of England or other banks of issue to determine the amount of their outstanding circulation, 1342. 1409, 1410——Argument in favour of the removal of all legislative limit upon the issues of the Bank of England, 1343-1354. 1541-1547——Disapproval of a certain amount of bullion being specially set aside as a guarantee for the circulation, 1344-1347——The legal convertibility of the note is a sufficient security against over-issue, 1345.

The larger bullion reserves of the Bank since 1844 are attributable to the influx of gold from Australia, &c., and not to the operation of the Bank Charter Act, 1348-1354. 1427-1429. 1508, 1509——As regards the separation of the Issue and Banking Departments there was, scientifically, no sufficient reason for it, 1355, 1356——In practice the separation has operated mischievously, as producing undue fluctuations in the rate of interest, 1356-1360. 1363-1367. 1431-1440. 1463-1471——The cutting in two of the reserve of bullion, as a consequence of the separation of the departments, forms one of witness's main objections to the Act, 1356 *et seq.*

Evils consequent upon frequent fluctuations on the rate of interest, as has been the case since 1844; 1357-1360. 1430-1440. 1472-1480——Inexpediency of the Bank of England being guided by the same principle as ordinary bankers in the management of its reserve, with reference to the rate of discount, 1359. 1363-1367. 1440——Comment on the reduction, since 1844, of the Bank rate to so low a point as 2 per cent., 1359, 1360. 1363. 1366. 1463-1471——Evidence in favour of the adoption by the Bank of a rule not to discount at a lower rate than 4 per cent., 1360-1362. 1440-1458. 1494-1497——Circumstance of the Bank having never discounted at a lower rate than 4 per cent. previously to 1844; 1361. 1450-1454. 1527.

Reasons why the Bank of England should be managed differently from other banking establishments, 1364——Concurrence in Mr. Tooke's view, that the Bank should hold a reserve in bullion of not less than 10,000,000 *l.* or 12,000,000 *l.*, to be determined upon the principle of an average of years, 1368-1392——An arrangement for a larger average store of bullion, as proposed by Mr. Tooke, should involve compensation to the Bank, 1369. 1382. 1489——Advantage of an arrangement like the foregoing being settled between the Government and the Bank, and not defined by Act of Parliament, 1368. 1378-1392.

The Bank should not be required to keep any amount of securities specifically pledged against any particular part of their liability, 1370——An adverse foreign exchange may almost always be corrected by the transmission of 3,000,000 *l.* or 4,000,000 *l.* of treasure, 1373. 1494. 1498-1507.

Disapproval of empowering the Government to allow the Bank, under peculiar circumstances, to issue notes in excess of the present limit, 1384, 1385——Objection to the Executive Government interfering with the administration of the Bank oftener than is positively necessary, 1386-1392——Witness does not consider it desirable that the issues of the Bank should be matter for legislation, 1393.

Reference to and approval of the suggestions of Mr. Tooke for a reform in the governing body of the Bank with a view to greater permanency in the executive, 1394-1398——Objection to frequent change, as at present, in the executive of the Bank, 1398——Comment on the practice in determining the rate of interest, *ib.*

The composition clause of the Act of 1844 was evidently intended as a means of superseding the country bank circulation, 1399-1402——Witness sees no reason why the circulation of country bankers should be extinguished, 1403, 1533, 1534——Expense to the Bank of England if it had to replace the circulation of all country banks of issue, 1403-1408——Approval of a removal of the restrictions imposed in 1844 and 1845 upon the circulation of country banks, 1411-1413——Objections to requiring security from country issuers, 1413-1416. 1528-1532.

There is in principle no reason why the banks of Scotland and Ireland should not equally with the English banks be released from the restrictions now imposed upon their circulation, 1417. 1517, 1518——Reasons in favour of a continuance of the small-note circulation in Ireland and Scotland, 1418, 1419——Absence of reason for introducing 1 *l.* notes into England, 1419, 1420——Liability to forgery of 1 *l.* notes in this country, 1421.

As the result of laborious investigation on the part of witness, he states that the amount of the issues of paper does not exercise the least influence upon prices, 1422, 1423.

Witness has made careful inquiries as to the amount of gold in circulation, and concludes that at the close of 1856 there was as much as 70,000,000 *l.* in circulation in the United Kingdom, and that not less than 20,000,000 *l.* of this is owing to the influx of gold from Australia and California, 1425.

As regards the variations in the amount of the circulation of bank notes and of bills of exchange, witness has investigated the matter, and finds that there is no connexion between the two, but that the bill circulation increases as the rate of discount rises; tabular statement hereon, laid before the Committee, 1426, and *App. p.* 324-327.

In

Report, 1857—*continued.*

Newmarch, William. (Analysis of his Evidence)—*continued.*

In principle it is quite expedient that as the bullion in the Bank decreases, the rate of interest should be raised, 1434-1437. 1459——It is inexpedient, however, that the Bank should ever reduce its rate very low, notwithstanding that its reserve of bullion may be very large, 1438-1447——Under certain conditions only of the money market does the Bank influence the rate of interest, and then only temporarily, 1440. 1460-1462——Different modes in which the Bank might employ its money, even at a lower rate than four per cent., without lending it on bills of exchange at such lower rate, 1448-1458. 1526, 1527.

A limit upon the terms of bills discounted by the Bank has at times a more severe effect than a rise in the rate of interest, 1481——Bills would probably be drawn at the usance required by the Bank if capital could not otherwise be raised, 1482-1485——Further statement, that the Government should not interfere with the discretion of the Bank in regard to the use of its reserve, 1486-1488, 1541-1547——The amount of bullion which witness suggests that the Bank should hold would form a portion of the assets, and would be a guarantee equally for the deposits and the circulation, 1490-1493.

The maintenance of a certain amount of bullion in proportion to the total liabilities, might be effected by the Bank not reducing its rate of interest below a certain point, such as four per cent.; explanation hereon, 1494-1507——As a general rule, the Bank may be said to be passive in regard to any decrease or increase of the bullion reserve, 1497——Effect of the state of our eastern trade and of the Indian railways, &c., in drawing treasure from this country, 1499-1507——Relief evidently given to the Bank by the arrival of Australian gold, 1508, 1509.

Circumstances which render a limitation upon the Bank issues less objectionable at the present time than in 1844; 1510-1512——Increase of the small-note circulation in Ireland and Scotland under certain conditions of trade, 1514, 1515——Further objection to the circulation of small notes in England, 1516——A limitation of the credit circulation in Ireland or Scotland is not more necessary than if the notes were all of a higher denomination, 1517, 1518.

Reasons for the increase in the circulation of bills of exchange when the rate of discount rises, 1519-1525——Anticipated increase of forgery if the country issues were entirely replaced by Bank of England notes, 1535-1540——Further remarks on the evil consequent upon the Bank having command over only one-half of the bullion in its coffers, 1541-1547——Sound discretion is far wiser than mechanical action as a basis of management, 1545-1547——An extension of the credit circulation would be better than no alteration at all, 1548-1552——Claim of the Bank to additional compensation if they be restricted in regard to the rate of interest, 1553.

[Second Examination.] With regard to the provincial bank of Leatham, Tew & Co., with which witness was once connected, a condition that they should give security for their circulation would be injurious both to the public and themselves, 1554-1560——Although securities, if given by country bankers, would consist of investments bearing interest, it would, nevertheless, be disadvantageous to the banks of circulation to give such securities, 1561-1580——The great operations of credit throughout the country districts are performed by bills of exchange taken out of the banker's portfolio, and endorsed by him, and not by the actual circulation of country notes; advantages of this system, 1569-1579.

Tendency to a monopoly of banking business in country towns where circulating banks are established, 1580-1592——Advantage to the public where there is competition between the local banks, 1580-1582——Doubt as to there being any instance of a bank of circulation, and a bank merely of deposit in the same town; banks at Bristol adverted to hereon, 1586-1590——Further evidence to the effect that neither the Bank of England nor country banks have power to increase their circulation, 1593 *et seq.* 1690-1694. 1819 *et seq.* 1964.

During the speculation of 1845 the fluctuations in banking matters were just the same as if the circulation had been purely metallic, 1605-1612. 1694——A competition between local banks of issue tends to diminish rather than to increase the circulation, 1613-1615——Increased employment of capital, and at lower terms, in the event of reckless advances by competing banks, 1616-1622. 1635-1639——Failure of the northern and central bank adverted to as having arisen from the nature of its advances of capital; while these advances were very large, its note circulation was comparatively small, 1616. 1623-1628.

But for the check of the convertibility of the Bank of England note, there would not be so much difficulty in affecting the amount of the circulation, 1629-1631——Absence of any depreciation in a note so long as it is convertible, whilst with inconvertibility depreciation may take place to any extent, 1632-1634——Temporary effect upon prices by undue advances of capital producing speculation, 1635-1639——Equal tendency of banks of non-issue as of banks of issue to promote speculation as shown by the operation of the London banks during the speculation in 1825; 1639-1646.

Report, 1857—*continued.*

Newmarch, William. (Analysis of his Evidence)—*continued.*

Argument that the circulation and deposits equally constitute the liabilities of the Bank of England, and that it is essential to deal with them as a whole, in regard to the amount of reserve to be provided, 1647 *et seq.*——Greater fluctuations in the deposits than in the circulation of a bank, 1649–1653——Regularity of the variation in the circulation in ordinary times, 1650, 1651——The primary duty of the Bank of England and other banks should be to provide that all their obligations might be payable on demand in the sterling coin of the realm, 1658–1664.. 1851–1854.

As regards the amount of the Bank reserve, it is extremely impolitic to regulate it by Act of Parliament rather by the discretion of the Bank, 1662–1679——The deposits of the Bank really require more careful watching, and more ample safeguard, than the circulation, 1670–1672. —— Inference from the absence of legislative limit upon the reserves, or the issues of the Bank of France, 1674–1679.

Consideration of the present form of account published weekly by the Bank of England; concurrence in the views of Mr. Wilson as to the deceptive character of the account in its leading particulars, 1680–1698——The notes issued from the Issue Department to the Banking Department are clearly not a liability on the part of the Bank, as not being in the hands of the public, 1685, 1686——It is a delusion to suppose that the Bank could increase and make use of the quantity of notes, and thereby relieve the public, 1688–1694.

Safety in allowing the reserve to go lower when there is an internal drain of bullion than when there is a foreign drain, 1699–1701——Three categories into which all foreign drains resolve themselves, 1702——As regards the foreign drain in 1847, in consequence of the bad harvest in 1846, it was out of the power of the Bank to prevent it, 1703—— With respect to the drain from this country to France, it can only take place in exchange for silver, or something else, 1704, 1705. 1905, 1906——Temporary character of the expedients adopted by the Bank of France for keeping up its reserve of bullion, 1705–1715.

Further statement in support of the opinion that the larger reserve of bullion in the Bank at different periods since 1844, is not owing to the Act of that year, 1716–1726 ——Remarks on the circumstance of 17,580,000 *l.* in gold having been sent to the branches of the Bank of England in the years 1850–55, whilst apparently a very small amount has returned to the Bank in London, 1727–1736——Explanation as to the great increase of late years in the gold circulation, whilst the note circulation has continued nearly uniform, 1737–1751.

The total note circulation of the United Kingdom in 1834 was 37,500,000 *l.*; in 1844, 38,340,000 *l.*; and in 1855, 39,000,000 *l.*; 1741–1745——Absence of economy in the gold circulation, which now amounts to about 70,000,000 *l.*, by the Act of 1844; 1748–1751——Average note circulation of Scotland and Ireland in different years since 1844; increase in the notes of small denomination, 1752–1760——Further evidence in approval of 1 *l.* notes in Scotland and Ireland, but in disapproval of their introduction into England, 1761–1785.

Grounds for concluding that the exchanges with India are in favour of this country, notwithstanding the large amount of bullion being continually transmitted to the east, 1786–1789——To the amount of the exports from this country to India is to be added the amount of India House drafts, that is, the funds drawn from India by the East India Company; explanation hereon, showing how these drafts can be said to balance a corresponding amount of imports, 1786. 1915–1925.

Large sums leaving this country, in treasure or material, on account of the Indian railways, further adverted to, 1790——Examination on the question whether the transfer of 6,000,000 *l.* of capital from this country to India, in the shape of iron and locomotives, has an equal effect upon the exchanges as though it were sent in coin, 1791–1804. 1927–1938.

Circumstance of there having been a considerable increase in the country circulation in the years 1834–36; 1805–1818——Way in which the convertibility of the note controls the issues, or rather the advances, of the Bank, 1823–1850——Respect in which, if the note were inconvertible, there would not be the same control upon the issuer as now exists, 1829–1843.

Witness further argues that the Act of 1844, by the separation of the Issue and Banking Departments, and the cutting in two of the bullion reserve, has debarred the public from the advantage of the whole of the resources of the Bank, 1855–1857. 1869–1878——Means of a country bank of issue for increasing the accommodation to its customers, in the event of its having reached the full amount of its limited issue, 1858–1865 ——The issues of country bankers are to a great extent so much capital in their hands, 1865–1868.

The notes in the Banking Department of the Bank of England should be considered as equivalent to so much gold, 1873, 1874——An amalgamation of the Banking and Issue Departments, as before 1844, would be a consummation of witness's views, 1877 ——As

Report, 1857—*continued*.

Newmarch, William. (Analysis of his Evidence)—*continued*.

——As regards the Bank rate of interest, witness further contends that the Act has had a most injurious effect, inasmuch as under it the Bank has thought fit to compete with other money-lenders, and has, temporarily, no doubt, caused violent and irregular changes in the rate, 1879–1884. 1895, 1896.

Further evidence in favour of the Bank being restrained, but not by Act of Parliament, from discounting at less than four per cent.; objections to this proposition considered, 1880. 1885–1904 —— Magnitude of the Bank's resources, and moral influence of its actions, adverted to as an argument against its lending its reserve, in the same way as other money-lenders, 1889–1894——Expediency of compensation to the Bank for not discounting at less than four per cent., 1901–1903.

Increase, on the whole, in the reserve of bullion in 1855 and 1856 as compared with 1843 and 1844; 1907–1911——The only rule which should exist in regard to the issue of bank notes, is the demand of the public, 1912–1913——Though there is no difference in principle between a 5 *l.* note and a 1 *l.* note, witness further objects to the use of the latter in England, 1914——Question as to the effect of the transmission of warlike stores to the Crimea upon the state of the foreign exchanges, 1928–1938.

Further examination as to the issue respectively of convertible and inconvertible notes, to the effect that in the latter case there is not the same practical limit upon the issue, 1939–1963——Issue of inconvertible notes by governments only, 1946–1951——Possibility of an inconvertible circulation without its becoming suddenly excessive, 1954. 1957–1960——Probable amount of the gold circulation in 1834 and in 1844; 1965–1967.

Examination on a paper which shows that, in the 10 years preceding 1844, the variations in the rates of interest allowed by London discount houses to London bankers were 43 in number, and in the 10 years succeeding 1844 were only 20 in number; the variations since 1844 have, however, been much greater in amount, 1968–1977.

Variation in the exchangeable value of gold, as a commodity, according to the supply and demand, 1978–1992——Absence, practically, of any effect upon prices, by oscillations in the amount of bullion in the country, in consequence of the foreign exchanges, 1979–1999——The present mixed circulation acts in just the same way as a metallic circulation, 1986——By "circulation" witness means those notes actually in the hands of the public, 2000–2003——The notes in the Banking Department he always looks upon as constituting the bullion reserve, 2004.

Further statement as to the expediency of dealing similarly with the deposits and the notes of the Bank of England, 2005–2009——In regard to the liability of the Bank for its notes, the question of legal tender should not be considered as affecting the matter, 2008.

Norman, George Warde. (Analysis of his Evidence).—Has, with the exception of some short intervals, been 36 years in the Bank direction, 2855, 2856——Gave evidence before the Select Committee in 1840, whose inquiries had reference to the Act of 1844; thoroughly approves of that Act, 2857–2860——Main principle of the Act of 1844 to cause the Bank of England circulation to fluctuate as a metallic circulation would fluctuate, 2861——Main provision of the Act that only a certain amount of the circulation of the Bank should be issued on securities, and that all the notes beyond such amount should be issued upon gold, 2862, 2863.

Grounds upon which the limit of 14,000,000 *l.*, as the issue upon securities, was arrived at, 2864——Objection to the Bank being permitted to increase their issue to the full extent, instead of to the extent of two-thirds of the lapsed issue of country banks; this, however, is a very unimportant matter, 2865–2870——Objection to raising the limit from 14,000,000 *l.* to 16,000,000 *l.*; the effect would be to diminish *pro tanto* the bullion reserve of the Issue Department without increasing the quantity of notes in the hands of the public, 2871–2876.

Belief that the larger bullion reserve of the Bank since 1844 has been mainly owing to the Act of that year, 2877–2887——Approval of the separation of the Issue and the Banking Departments by the Act of 1844, on the ground that it is mischievous to place the issue of paper money in the hands of persons who carry on ordinary banking business, 2888–2893——Argument that the principle of competition cannot be applied without mischief to the issue of paper money; the mere convertibility of the note is not, in fact, a sufficient security against over-issue, 2894–2920.

Extent to which it may be in the power of bankers, by excessive issues of paper, to affect the price of gold, or rather to depreciate the whole currency, 2903–2908——Largely increased issues of private banks between 1834 and 1836; 2908——Reference to the immense increase of paper issue in the United States before the crash of 1837, and to the fall in the price of gold, and the value of commodities, 2908–2917——Wide distinction between the position of a depositor and of a noteholder adverted to as an argument against applying legislative action to deposits, 2921–2929——Witness can hardly conceive

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Norman, George Warde. (Analysis of his Evidence)—*continued.*

it possible to add to the circulation by issuing inconvertible notes; comparative worthlessness of such notes, 2930–2937.

Doubt as to the expediency of doing away with all issues save the issue by the Bank of England, 2938. 2943——Probability of the Act of 1844 having contemplated the gradual absorption of the country issues, 2939–2942 ——Improved action of the country issues since 1844; 2943, 2944——Country banks of issue should remain on their present footing, new banks of issue being prohibited, 2945–2952——Objections to the power of issue being transferred from the Bank of England, and exercised directly by Government, 2953–2963.

Denial that the separation of the Banking and Issue Departments has had any effect in regard to fluctuations in the rate of discount, 2964. 2968–2977. 3005–3007 ——The Banking Department of the Bank of England is, as regards the payment of bank notes, precisely in the same position as a private bank, 2964–2967. 2988–2993——The bullion in the Specie Department is no more applicable to the payment of notes in the Banking Department than it is to the payment of any other bank notes, 2965——Belief that Bank of England notes are a legal tender in the Banking Department, 2966, 2967——Except under very partial and peculiar circumstances, the Bank has no power at all over the rate of discount, 2971–2975. 3000–3004 —— Disapproval of the Bank being limited to a minimum rate of discount of 4 per cent., 2978.

Absence of any diminution in the power of the Bank to accommodate the public since the Act of 1844, 2979–2981 —— Approval of the form in which the accounts of the Bank are now published, 2982–2987——Greater demand upon the Bank for discount when the rate is high than when it is low, 2994–2997——Absence of any close relation between the rate of discount and the rate of interest upon Government securities, 2998, 2999—— Further statement as to country bankers or issuers having for a time the power of keeping out an over-circulation of notes, 3008–3012.

Examination in further consideration and approval of the credit circulation being still fixed at 14,000,000 *l.*, although, in point of fact, the minimum active circulation of the Bank since the Act of 1844 may not have fallen below 16,500,000 *l.*; further argument that an increased issue of 2,000,000 *l.* on securities would merely result in there being 2,000,000 *l.* less of gold in reserve, 3013–3029. 3060–3094.

Doubt as to any inconvenience being felt, after a time, by the withdrawal of the local notes of country banks, 3030–3036——Further objection to any interference with the country banks which should in any way increase their amount of issues, 3037–3041—— Further reference to the great depreciation some years ago in the currency of the United States in consequence partly of an excess of paper circulation, 3042–3049. 3202, 3203 ——Action upon prices in the event of excess of issue, whether under a mixed currency, or a metallic currency, 3050, 3051

Anticipated equal value of a limited issue of 14,000,000 *l.* in inconvertible notes as of 14,000,000 *l.* in metallic currency, 3052–3059——Advantage to the Bank if empowered to issue 2,000,000 *l.* more than it now issues upon securities, 3084–3094——Explanation of the term "circulation," as before the Act of 1844, 3095–3098 ——Preparation, previously to 1844, for the private convenience of the Bank Directors, of an account similar to that now published, 3099–3101——Belief as to the Act of 1844 giving to the noteholder a special lien upon the securities and the bullion, 3102–3106.

Further statement as to the separation of the departments having reference to the difference between the business of issue and of ordinary banking, 3106–3112——Identical value and effect for home purposes of convertible notes as of coin, 3113, 3114. 3117–3121. 3156. 3172——Further evidence in support of the proposition that there should be no competition as regards issuing banks, on the ground that for a certain time and under certain circumstances a mixed currency may be maintained to a greater amount than a metallic currency could be maintained, 3115 *et seq.*

Probability of a worse currency if there are competing issuers than if there is a single issuer, 3132——Practice as regards the issue or coining of gold in the event of a purely metallic currency; there would be no competition, as the issue would not involve profit, 3133–3143——Profit involved in the issue of notes, and consequent competition if there were no legislative restriction, 3143–3150——Higher prices would partly be the effect and partly the cause of a temporary over-circulation of paper, 3152–3154. 3171.

Further statement as to a mixed convertible currency being depreciated in comparison with the currency of other countries if such mixed currency be maintained for a time at a higher amount than a purely metallic currency could be maintained, 3156–3178——Further consideration of the large increase between 1834 and 1836 in the issues of country bankers; large decrease during the same period in the circulation and the bullion of the Bank of England; inference nevertheless as to a power in issuers to maintain a somewhat increased circulation for a certain time, 3179–3201——Bankers can by no means increase their issues indefinitely; the test of convertibility is quite sufficient to prevent any such increase, 3196.

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Report, 1857—*continued.*

Norman, George Warde. (Analysis of his Evidence)—*continued.*

[Second Examination.]—It was generally held before the passing of the Act of 1844, that in proportion as bullion was withdrawn from the country, the internal currency should be contracted, 3204——Impression that since 1844 the notes in the hands of the public have diminished during adverse exchanges; reference hereon to a certain return, showing a contrary result, 3205-3208—— In the case of a purely metallic currency, and equally in the case of a mixed currency, witness would consider the bullion reserve in the Bank as part of the currency or "money" of the country, 3209-3216.

Effect of a continued adverse exchange to lead to a reduction of prices, and *pari passu* to diminish the coin in the hands of the public, 3217-3221—— Further approval of the present form of accounts of the Bank, as the best form for representing the real condition of the currency, 3222, 3223——In the old form of account, the circulation of the Bank, as published, showed only the notes in the hands of the public, such notes constituting the only liabilities of the Bank in regard to its circulation, 3224-3227.

Examination to the effect that the notes in the Banking Department represent a similar amount in bullion in the Issue Department, but only in the same way that notes in the hands of any private banker represent a portion of the bullion in the Issue Department, 3228-3255. 3547-3550——Equal liability of the Issue Department in regard to the notes in the Banking Department and the notes in the hands of ordinary bankers; how far this proposition is affected by the fact of the two departments constituting one corporate body, 3229. 3256-3285. 3358-3360.

The Banking Department must give value for its notes in the same way as ordinary bankers, 3260-3262. 3547-3550——The Bank, or rather the Issue Department, derives a profit from the notes in the hands of the public, but not from the notes in the Banking Department, 3263-3268——Notes are a legal tender, not only in the case of ordinary bankers, but of the Banking Department, the Issue Department being liable in each case for payment of the notes in gold, 3269-3285.

Further statement as to the power of banks of issue to extend or contract their circulation under certain circumstances, 3286-3291——Further statement as to the effect of an increase of issues by issuing banks or the Bank of England in leading to a depreciation of the aggregate currency, and a probable export of gold, 3291-3303——Further statement as to the motive of country bankers to increase their issues; check to over-issue if they were obliged to issue Bank of England notes, first giving proper security for them, 3304-3317. 3335-3340.

Full security under the Act of 1844 for the convertibility of the notes of the Bank of England, or about one-half of the entire circulation, 3318-3321——Defect of the Act of 1844 in not prescribing that security shall be taken for the country issues, 3322-3357 ——Witness has always held the doctrine that no bank should be allowed to issue without giving security, 3325. 3330. 3356, 3357—— Further opinion that the liabilities of a banker in regard to his circulation should be preserved in a greater degree than in regard to his deposits, 3326-3330.

Impression, further stated, that Sir Robert Peel looked forward to a diminution, and probably an ultimate extinction of the country issues: question put by him to witness on examination before the Select Committee in 1840 adverted to hereon, 3331-3334—— Belief as to there having been less insolvency among country banks of issue since the Act of 1844; 3343, 3344. 3356——Extent to which the privileges of issuing banks under the Act may have prevented issues being undertaken by a sounder class of banks, or may by failure have inflicted actual loss which but for the Act would have been avoided, 3345-3356.

Witness is the oldest bank director, his experience dating from 1821, 3361-3363—— Erroneous doctrine held by the leading directors in regard to issues when witness first entered the direction; the rate of interest and the échéance of bills were alone looked to, 3364-3370. 3568-3574——Except in 1817, when a partial payment of notes in gold took place, the actual resumption of cash payments did not fall upon the Bank until about 1821; 3370-3372——Crisis of 1825 adverted to as having been largely aggravated by the increase of country issues and the issues of the Bank of England, 3373-3381.

In consequence of the pressure and disaster of 1825, sounder views began to prevail among the Bank direction, and Mr. Palmer, the then governor, devised a rule for the regulation of the issues and the securities, but it was found impracticable, 3382-3388 ——Reference to the severe foreign drain which ceased in March 1837, and to the large increase of notes in circulation which preceded and prolonged such drain, 3389-3406 ——Peculiarly severe drain in 1839, preceded and aggravated by a considerable increase of circulation; severe measures necessary on this occasion, 3407-3430.

After the experience of the years 1837 and 1839, as well as of 1825, witness cannot conceive how it can be maintained that a mixed circulation of gold and convertible notes must vary in the same way as a purely metallic circulation, 3431-3435——But for the Act of 1844 the circulation would have increased at the commencement of the present drain, just as it did before former drains, 3435——The more stringent measures,

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shown by the experience of 1825, 1837, and 1839, to have been required, were most usefully afforded by the Acts of 1844 and 1845; 3435-3437.

Further statement that the Act of 1844 mainly provides that the Bank shall hold a certain fixed amount of securities upon which notes shall be issued, and that beyond such issue all notes shall be issued on gold, 3438-3441——The Issue Department is not subject to any control by the Banking Department, its function being merely to exchange notes for gold, 3442, 3443——It is some advantage to the public to exchange gold for notes, instead of to take it to the Mint to be coined; the latter course is very rarely adopted, 3444-3450.

The separation of the departments is an essential part of the system, as necessarily leading to the fact that the issues of bank notes vary in all cases exactly as bullion would vary, 3451-3453——There is practically no artificial regulation of the currency by the Act of 1844; witness is strongly opposed to any action upon the currency, save the action of natural laws, 3454-3457. 3516——The Banking Department holds some coins for the convenience of its customers, just as other banks do, and meets its liabilities (as witness further maintains) on precisely the same principle as other bankers, 3458-3472.

As regards a drain upon the deposits of an issuing banker, it may be met by selling securities and recalling loans, as well as by increased issues, 3473-3475——The deposits of the Bank of England vary very little, 3476, 3477——Explanation with reference to a return from the bank, showing that during periods of adverse exchanges and high rates of interest the depositors do not materially reduce their deposits, 3476-3482——Probable reason of the difference between the circumstances of different drains, 3483.

The check upon over-issues by country banks more than counterbalances the disadvantage of their monopoly of issue, 3484-3486——Witness further maintains the necessity of some restriction upon issues generally, 3487-3515——Further reference to the crisis in the United States in 1837, and the numerous failures of banks which then took place, as showing that over-issue had gone to a frightful extent, 3490-3495.

Witness further repeats, that at certain times there is power in issuers to maintain an increased or excess of issue for a longer time than could occur under a metallic currency, 3495-3514——Further explanation as to an over-issue of paper resulting in a temporary depreciation of the whole currency, 3504-3509——Less ultimate mischief in the case of drains which have occurred since the Act of 1844; 3513-3515. 3610.

Witness totally dissents from the doctrine that if the Bank hold a certain large amount of bullion, a drain upon it may be suffered to run its course without doing any mischief, 3516-3519——Under the self-acting test of the Act of 1844, the contraction commences with the drain, and goes on proportionately with it, 3516. 3518. 3610——Under any artificial regulation the contraction would, in all probability, be less regular and more mischievous, 3516-3519. 3610.

Probability of the rate of interest having varied more since the Act of 1844 than previously, 3520——Slight and temporary effect of the amount of notes with the public on the rate of interest, 3521. 3523——Opinion that the rate permanently depends upon the demand and supply of capital, 3522, 3523——The ultimate effect of increasing the quantity of money is to raise prices, not to lower interest, 3523——The usury laws had not much effect upon the rate of interest, except occasionally to raise it, 3524, 3525.

Save at exceptional periods, such as the end of a quarter, the Bank of England has no power to affect the market rate, 3526——Anomalous character of the Discount Office, that is, the office through which advances are made by the Bank, 3527, 3528——The power of raising the rate is found a sufficient check upon the amount of discounts demanded, 3529——The Bank rate is never so low as the lowest rate out of doors, 3530——A power in the Bank to raise and lower the rate at its discretion is absolutely essential, 3532.

Further statement that an issue of an additional 2,000,000 *l.* on securities is not desirable; the general effect would be that there would be 2,000,000 *l.* more in gold thrown into the market, and that it would principally go abroad, 3533-3537——So far as the Bank of England is concerned, witness is strongly opposed to any relaxation of the Act of 1844; 3538, 3539——The general opinion of mercantile authorities is opposed to any relaxation of the Act, 3540. 3625, 3626.

Further opinion that the country issues have been conducted more satisfactorily since the Act of 1844; 3541——Disapproval of a power in country banks to issue to any extent provided they gave security for two-thirds, and issued one-third upon gold, 3542-3544——Although witness does not like private issues at all, he is, on the whole, satisfied with the present system of issue in Scotland, 3545, 3546——Examination to the effect that a contraction of the circulation is sufficient, if carried far enough to restore the equilibrium of the exchanges; state of things during the drain of 1839 adverted to hereon, 3551-3567.

Practice of the Bank in regard to issues when witness joined the direction in 1821 further

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further adverted to; doubt as to the directors having been induced to increase the issues, in consequence of certain enactments by Lord Castlereagh in regard to their lending money upon mortgage, &c., 3568-3580——Slight extent to which the Bank now lend money upon mortgage or inconvertible securities, 3581-3588——Witness further states that the Act of 1844 operates by natural and not by artificial causes, 3589-3591.

Reference to the application by the Bank to Government to be allowed to issue to the extent of two-thirds of the lapsed country issues; witness was not a party to this application, 3592-3598. 3631——Occurrence of pressures in the United States when the paper currency was not in practice convertible, 3599-3604——The currency of the States is supplied by several chartered banks, and not by one national bank, 3605——There have been periods in America when over issues have gone a great way towards denuding the country of bullion, 3606-3608——The crisis in America in 1837 was the result of a most inflated state of credit, 3609.

Witness further objects to any relaxation of the Act of 1844 which should throw more discretion and responsibility in the Bank Direction, and considers it very probable that an absolute discretion in the Bank in regard to issues would not have resulted in so wise a course as that which is now provided by the Act, 3610-3624——Witness does not consider the expediency of restriction to be any impeachment of the constitution and action of the Bank management, 3612-3624——Probability of the Act having been made temporary for ten years, with a view to its reconsideration at the end of that period, 3627, 3628.

Explanation that the application in regard to the issue by the Bank, in lieu of the lapsed country issues, really emanated from the Government, 3629-3632—— Explanation of the term "natural laws," as now applied to the regulation of the currency, 3633, 3634——Explanation of the term "capital," with reference to its being the means of regulating the rate of interest, 3635-3638——As regards any circumstances which cannot be provided for by the Act of 1844, they are of so exceptional a nature that it is much better to provide for them as they occur, by direct legislation, 3639.

Norman, Mr. Letter from Mr. Norman to the Governor of the Bank of England, dated 22 October 1856, relative to the Bank Acts of 1844 and 1845, and the question of any alteration therein, *App. p.* 13-16——Remarks on the general question of a paper currency, *ib.* 13, 14——Statement in approval of the operation of the Acts of 1844, *ib.* 14-16——Amendments suggested in the Act, *ib.* 15.

Recommendation by Mr. Norman that the circulation of 1 *l.* and 2 *l.* notes be discontinued, *App. p.* 15——Advantage of an uniform system of legal tender throughout the United Kingdom, *ib.*——Advantage if security were required from all issuing banks, *ib.*——Approval on the whole of the renewal of the Acts of 1844 and 1845 without any material alteration, *ib.* 16.

See also *Norman, George Warde, &c.*

North of Scotland Bank. Particulars as to the amount of capital, &c., and of the authorised and actual circulation in April 1857, *App. p.* 333.

Northamptonshire Banks. Petition, signed on the part of the Northamptonshire Union Bank and the Northamptonshire Banking Company, praying for certain alterations in the Act of 1844, *App. p.* 360, 361.

Northern and Central Bank. Failure of the Northern and Central Bank adverted to as having arisen from the nature of its advances of capital; while these advances were very large, its note circulation was comparatively small, *Newmarch* 1616. 1623-1628.

Norwich Branch (*Bank of England*). Account of the average circulation of twenty-one days' and seven days' bills in each year from 1832 to 1847, *App. p.* 24——Account of the average circulation of seven days' and other bills in each year from 1848 to 1856, *ib.* 25.

Account of the average circulation of branch bank notes in each year from 1832 to 1847, both inclusive, *App. p.* 26——Similar account for each year from 1848 to 1856, *ib.* 27.

Weekly statements of the circulation of twenty-one and seven days' bills during the year 1847, *App. p.* 28, 29——Weekly statement of the circulation of branch bank notes during the year 1847, *ib.* 32, 33.

Note Circulation. See *Circulation* (*Paper Currency*).

Note-holders. See *Claims of Depositors and of Note-holders.*

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O

ONE POUND NOTES:

1. *As to their Abolition in Scotland and Ireland.*
2. *Amount of Circulation in Scotland and Ireland.*
3. *As to their Introduction into England.*

1. *As to their Abolition in Scotland and Ireland:*

Suggested discontinuance of the lower denomination of notes in Scotland, *Weguelin* 115.

Reasons in favour of a continuance of the small note circulation in Scotland and Ireland, *Newmarch* 1418, 1419——Increase of the small note circulation in Ireland and Scotland under certain conditions of trade, *ib.* 1514, 1515——A limitation of the credit circulation in Ireland and Scotland is not more necessary than if the notes were all of a higher denomination, *ib.* 1517, 1518——Further evidence in approval of the 1 *l.* note in Scotland and Ireland, but in disapproval of their introduction into England, *ib.* 1761–1785.

Approval of the circulation of 1 *l.* notes in Scotland, *Mill* 2060——Question whether it is not expedient to stop the issue of 1 *l.* notes in Ireland, *ib.* 2060–2065.

Unless the Scotch and Irish private notes are absorbed in an uniform currency, witness sees no weighty reason against the circulation of the smaller notes in those countries, *Hubbard* 2509–2512.

The suppression of 1 *l.* notes in Scotland and Ireland may not be feasible, but small notes are, as a general principle, objectionable, *Right Hon. Lord Overstone* 3696.

Recommendation by Mr. Weguelin, that the Legislature should encourage the circulation of coin for small payments and abolish the 1 *l.* and 2 *l.* notes, as a means of providing a reserve in time of difficulty, *App. p.* 2, 3.

Remarks by Mr. Neave in favour of the abolition of 1 *l.* and 2 *l.* notes, *App. p.* 5.

Remarks by Mr. Cotton as to the difficulties on abolishing the small note circulation in Ireland and Scotland, *App. p.* 7, 8.

Recommendation by Mr. T. N. Hunt, that all notes under 5 *l.* be discontinued, *App. p.* 9.

Abolition of the small notes recommended by Mr. Norman, *App. p.* 15.

Recommendation by Mr. Latham, that the 1 *l.* notes be abolished, *App. p.* 17.

Recommendation by Mr. H. W. Blake, that the issue of notes under 5 *l.* be abolished or diminished, *App. p.* 18.

Recommendation by Mr. B. B. Greene, that the issue of small notes be suppressed, *App. p.* 19.

Recommendation by Mr. J. Malcomson, that there be an early withdrawal of the 1 *l.* and 2 *l.* notes, *App. p.* 20.

2. *Amount of Circulation in Scotland and Ireland:*

Account of the aggregate weekly circulation of the notes of Banks of Issue in Scotland and Ireland, distinguishing those of 5 *l.* and upwards and those under 5 *l.*, and showing the total amount in Scotland and Ireland respectively, with the amount of bullion held, from the 13th December 1845 to the 9th May 1857, *App. p.* 204–213.

3. *As to their Introduction into England:*

Greater risk of forgery in the case of the smaller notes, *Weguelin* 115. 129-131; *Newmarch* 1421; *Hubbard* 2503–2506——In times of great emergency, such as entire failure of the harvest, it might be very advantageous to issue small notes as a means of extracting gold from circulation, *Weguelin* 679-689——So long as the convertibility of the note is maintained, notes of small denomination are not objectionable in principle, *ib.* 690, 691——In practice it would be necessary to retain a larger reserve of bullion in case of issue of 1 *l.* or 2 *l.* notes, *ib.* 692–694——Great usefulness of an issue of small notes during the drain of 1825, *ib.* 695, 696.

Absence of reason for introducing 1 *l.* notes into England, *Newmarch* 1419, 1420——Though there is no difference in principle between a 5 *l.* note and a 1 *l.* note, witness further objects to the use of the latter in England, *ib.* 1516. 1761–1785. 1914——Disapproval of an issue of notes under 5 *l.* in England, *Mill* 2045, 2046. 2060, 2061. 2066, 2067.

Disapproval of the issue of notes of less value than 5 *l.* in England, so long as the circulation is not uniform, *Hubbard* 2503——Convenience in the issue of 2 *l.* or 3 *l.* notes if the small notes in Ireland and Scotland were annihilated, *ib.* 2503——Greater probability

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3. *As to their Introduction into England*—continued.

bability of a drain or panic on account of 1 *l.* notes than of 5 *l.* notes, *Hubbard* 2506——As regards any effect upon credit or prices there would be no inconvenience in the issue of 1 *l.* notes or 2 *l.* notes in England, *ib.* 2733-2738.

Objection to the introduction of one pound notes into England, *Right Hon. Lord Overstone* 3696——Circumstance of the issue of 1 *l.* notes during the panic in 1825, having relieved the Bank without any discredit being thrown on the notes, *ib.* 3793-3795 As a general principle all the smaller transactions of the country below 5 *l.* should take place in coin, *ib.* 4131, 4132.

If the Bank of England notes were all issued on gold, 1 *l.* notes would be an advantage, *Alexander* 4317.

Overend, Gurney & Co. The transactions of the house, which mainly consists in discounting commercial paper, are on a very large scale, *Chapman* 4836, 4837——Reference to a tabular statement (which witness delivers in) showing the rates of discount charged by witness's house for first class bills in each month in each of the years 1824-57, together with the average rate per annum, *ib.* 4875-4879——Witness's firm are not bill brokers but money dealers, *ib.* 4931. 5296-5299——Practice of witness's house with regard to money held on call, *ib.* 4941-4948——Strong objections held by witness as a money dealer, to investments in Exchequer bills or other fluctuating property, *ib.* 5102-5116.

Circumstances under which witness's house applied to the Bank for discounts on three occasions in October 1847, *Chapman* 5107——On the 19th of October the Bank required 10 per cent. for advances on bills of exchange, *ib.*——Within two days after the letter came out, witness went to the Bank with a view to getting back all the bills sent in just previously; the Bank rate on these bills was reduced from 10 *l.* to 9 per cent., *ib.* 5149.

Doubt as to the amount of discounts of witness's house respectively when the rate of interest is high and when it is low; they are very large under the present high rate, *Chapman* 5155-5161. 5322-5326.

Further statement relative to the discounts by the Bank for witness's house in October 1847; exception taken to the exaction of 10 per cent. by the Bank; interview of the witness with the Governor and Deputy Governor on the 5th or 6th October adverted to hereon, *Chapman* 5239-5245.

Examination with reference to the circumstance of witness's firm having charged only 4½ per cent. for discounting, that is one-half per cent. below the prescribed rate, during the pressure in November and December 1825; doubt as to any commission having been charged in addition to this rate, *Chapman* 5246-5270. 5348.

Further statement as to the Bank having, in the first instance, charged witness's house 10 per cent. for discounting certain bills in October 1847; the rate was, however, reduced in a few days to 9 per cent., *Chapman* 5406-5409.

Over-Issue:

1. *Absence of Power in the Bank of England or in Country Banks of Issue to affect the aggregate Circulation.*
2. *Evidence opposed to the foregoing Proposition; Power of Banks to over-issue, and thereby to cause great Disaster.*

1. *Absence of Power in the Bank of England or in Country Banks of Issue to affect the aggregate Circulation:*

Evidence to the effect that the country issuers cannot at their will increase or decrease the active circulation, *Weguelin* 712-746——Absence of any material increase in the circulation in consequence of the establishment of joint stock banks in 1831 and following years, *ib.* 719-721——The Bank of England has no means of materially contracting its circulation, *ib.* 746, 747. 757-779——Practically it appears that country banks cannot, any more than the Bank of England, increase their issues or circulation at their own will, *ib.* 955 *et seq.*

Further evidence in corroboration of the argument, that expansion or contraction of trade has little if any effect upon the circulation of the Bank of England, *Weguelin* 959 *et seq.* 995, 996——Except under peculiar circumstances and to a limited extent, the Bank cannot extend its issues, *ib.* 1301-1308. 1312.

Absence of any power in the Bank of England, or other banks of issue, to determine the amount of outstanding circulation, *Newmarch* 1312. 1409, 1410——Belief that there cannot be an over-issue, so long as convertibility is maintained, *Newmarch* 1345; *Mill* 2313-2316——Absence of power in country bankers to extend their issues, *Newmarch* 1408, 1409. 1513.

Further evidence to the effect that neither the Bank of England or country banks have power to increase their circulation, *Newmarch* 1593 *et seq.* 1690-1694. 1894 *et seq.*

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Over-Issue—continued.

1. *Absence of Power in the Bank of England, &c.*—continued.

1964——A competition between local banks of issue tends to diminish rather than increase the circulation, *Newmarch* 1613-1615——Less difficulty in affecting the amount of circulation, but for the check of convertibility, *ib.* 1629-1631. 1823-1850——It is a delusion to suppose that the Bank of England could increase and make use of any quantity of notes and thereby relieve the public, *ib.* 1688-1694.

Examination as to the issue respectively of convertible and inconvertible notes, to the effect, that in the latter case there is not the same practical limit upon the issue, *Newmarch* 1829-1843. 1939-1963——There should be no restriction upon issue save that of convertibility, *Mill* 2011.

Great difficulty of affecting the amount of notes in the hands of the public, *Hubbard* 2358——Save under exceptional circumstances, neither the Bank of England nor any other bank has power to increase its circulation, *ib.* 2407-2413——By setting on foot new speculations a banker may for a time increase the circulation, *ib.* 2410-2413——Power of the Bank by sale of securities slightly to contract the circulation, *ib.* 2596-2606——Tendency of large advances on the part of the Bank temporarily to increase the active circulation to a limited extent, *ib.* 2607-2614.

Fluctuations in the circulation are determined by the requirements of trade and not by the will of issuers, *Hubbard* 2615. 2655-2666——Evidence to the effect that country issuers cannot affect the entire circulation, though, as rival issuers, between themselves or with the Bank of England they may cause variation in the quantity of notes which each might keep out, *ib.* 2667-2680——The relative proportion of gold to paper may be varied, but the total amount cannot be varied by any enactment, *ib.* 2763, 2764.

Absence of power in the Bank to determine the circulation in the hands of the public, *Chapman* 5064-5066.

2. *Evidence opposed to the foregoing Proposition; Power of Banks to over-issue, and thereby to cause great Disaster:*

Argument that the principle of competition cannot be applied, without mischief, to the issue of paper money; the mere convertibility of the note is not, in fact, a sufficient security against over-issue, *Norman* 2894-2920. 3196——Extent to which it may be in the power of bankers by excessive issues of paper to affect the price of gold, or rather to depreciate the whole currency, *ib.* 2903-2908. 3132——Largely increased issues of private banks between 1834 and 1836, *ib.* 2908. 3179-3201.

Further evidence in support of the proposition that there should be no competition as regards issuing banks, on the ground that for a certain time and under certain circumstances a mixed currency may be maintained to a greater amount than a metallic currency could be maintained, *Norman* 3008-3032. 3115 *et seq.*——By lending at a low rate of interest the Bank of England might for a time maintain an increased circulation, *ib.* 3122-3131.

Further statement as to a mixed convertible currency being depreciated in comparison with the currency of other countries if such mixed currency be maintained for a time at a higher amount than a purely metallic currency could be maintained, *Norman* 3156-3178——Further consideration of the large increase between 1834 and 1836 in the issues of country bankers; large decrease during the same period in the circulation and the bullion of the Bank of England; inference nevertheless as to a power in issuers to maintain a somewhat increased circulation for a certain time, *ib.* 3179-3201. 3286-3291——The test of convertibility is sufficient to prevent indefinite issues, *ib.* 3196.

Further statement as to the effects of an increase of issues by issuing banks on the Bank of England in leading to a depreciation of the aggregate currency and a probable export of gold, *Norman* 3291-3303. 3504-3509——Motive of country bankers to increase their issues; check to over-issue if they were obliged to issue Bank of England notes, first giving proper security for them, *ib.* 3304-3317. 3335-3340——Witness further repeats, that at certain times there is power in issuers to maintain an increased or excess of issue for a longer time than could occur under a metallic currency, *ib.* 3431-3435. 3495-3514.

As regards unrestricted competition between country banks of issue, such banks would have power, under certain circumstances, of unduly expanding their paper circulation, and might produce very mischievous results, *Right Hon. Lord Overstone* 3688, 3689——Belief as to the power of the Bank of England (if not restricted in issue) to put off any amount of notes it pleases, displacing thereby and driving out of the country a corresponding amount of gold; power in fact to banish for a time gold from the country, *ib.* 3906-3918——Extent of witness's experience relative to the practice of issuing banks adverted to in connexion with his views as to the power of over-issue, *ib.* 3922-3927.

Argument that every monetary crisis which this country has gone through can be clearly traced to the non-diminution of the paper money or issue as the bullion left the country, *Right Hon. Lord Overstone* 3988, 3989——Evidence in detail with reference to the

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2. *Evidence opposed to the foregoing Proposition, &c.*—continued.

the several monetary pressures between 1783 and 1844, showing that the evils which arose were mainly owing to over-issues of paper money, *Right Hon. Lord Overstone*, 4173-4188——The maintenance of the paper at an undiminished amount whilst there is a drain of bullion is practically an over-issue, *ib.* 4174. 4195.

Statement with reference to the severe crisis and panic in 1792 and 1793, showing the tendency of banks to over-issue in a period of excitement, and the inevitable and disastrous results which follow from such over-issues, *Right Hon. Lord Overstone* 4177——The non-convertibility of the note at this period had nothing to do with the power of issuers to put out their notes in accordance with the demand for them, *ib.* 4180——Statement showing that in the year 1800 and following years there was a considerable excess of issue of paper money, *ib.* 4180.

With regard to the crisis of 1825 witness adduces certain facts as clearly showing that between 1821 and 1825 there was a considerable increase in the circulation of Bank notes of 5*l.* and upwards, *Right Hon. Lord Overstone* 4182, 4183——Allowance to be made in considering the paper circulation in 1821 and 1825 for the suppression of 1*l.* notes and the substitution of coin, *ib.* 4182——Great reduction in the bullion in the Bank at this period in consequence of the over-issues, *ib.*——In addition to the increased circulation of the Bank of England in 1825, witness cites sundry grounds for the conclusion that the country issues were greatly in excess at that period, *ib.* 4182, 4183——The proposition that the paper issues were less in 1825 than in the preceding years rests upon no evidence whatever, and is a most reckless and fallacious assumption, *ib.* 4182, 4183.

Statement showing the undue regulation of the paper issues in the period between 1833 and 1839, there having been a decided over-issue in the years 1837 and 1839, *Right Hon. Lord Overstone* 4184-4187.

Strong inculcation of the proposition that the ultimate effect of an over-issue of paper money must be to depreciate the aggregate currency, and to cause an exportation of coin or bullion, *Right Hon. Lord Overstone* 4185-4188.

See also *Drains of Bullion and Monetary Pressures. Prices. Speculation. United States.*

Overstone, Right Hon. Lord. (Analysis of his Evidence.)—Gave evidence before the Select Committee of the House of Commons in 1840 on Banks of Issue, also before the Committee of the House of Lords in 1848 on Commercial Distress, and expressed himself on those occasions strongly in favour of the principles embodied in the Act of 1844; 3640-3643——Has year by year become more and more convinced of the soundness of the policy of the Act, and is strongly in favour of its renewal, 3642-3645——Considers that public opinion has of late years become much confirmed in favour of the Act, and refers on this point to what may properly be termed the unanimous declaration in its favour by the Bank Directors, 3645.

The great principle of the Act is to make the amount of paper money in the country conform in its variations to what would be the variations in the amount of a metallic currency, 3646——The separation of the banking and issue departments is the main ancillary provision for carrying out the principle of the Act, *ib.*——Definition of the several objects of the separation; they have been completely effected, *ib.*

Witness has drawn up a short statement of his views upon the several heads embraced in the present inquiry, and reads the same to the Committee; the several propositions contended for are put forth as a conclusive argument in favour of the Act, 3648.

Proposition that the supply of the current coin should be entirely separated from banking business, 3648——Also that the issue of paper money representing coinage should be under the regulation of the same hands as those which manage the coinage, *ib.*——Also that the paper notes ought to be preserved at their proper value, by making them, under all circumstances, conform in amount to the coins which they represent, *ib.*——Also that the sole privilege of coining money should be vested in one institution established by law for that exclusive purpose, *ib.*——Also that all profit arising from the issue of paper certificates or bank notes should be appropriated to the public exchequer, *ib.*——Also that perfect freedom of competition should be established in the business of banking, as effectually distinguished from the functions of coining or of issuing paper tokens, *ib.*

Effectual security under the Act of 1844 that the paper circulation shall at all times conform to what would be the amount of a metallic circulation, 3648——Effectual protection of the bullion reserve under the operation of the Act, as shown in the drains of 1847 and 1856-57, *ib.*——Commercial prosperity consistently with the restrictions of the Act, *ib.*——Want of proper regulations subsequently to 1819, when cash payments were resumed, and the note declared to be convertible, *ib.*——The true character of the paper note was grasped by Sir Robert Peel; hence the Act of 1844, *ib.*

As regards the reserve of bullion it cannot be said to lie in the Bank of England, but in the issue department, which is essentially a department of the state, 3649——Evidence strongly

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strongly opposed to the proposition that the larger amount of bullion since the Act of 1844 is the effect of the importation of gold from Australia and California, 3649—— Explanation of the mode in which the Act necessarily provides against undue reduction in the amount of bullion, 3649-3651——At the commencement of a drain the corrective influence of the Act is at once brought into play, 3650, 3651.

With regard to the rate of interest, all great fluctuations in it are the result of alterations in the value of capital, or in the amount of money in the country, 3652, 3653. 3718——The assertion that the separation of the departments has caused more frequent and violent fluctuations in the rate of interest is not in any way supported by fact, 3653. 3661, 3662——Witness denies that the fluctuations have been greater since 1844 than they were in former years; facts in support of this statement, *ib.*——Reference to the views of Mr. Tooke, as being to the effect that the Bank of England has not caused any undue fluctuations in the rate of interest, and that fluctuations are, in fact, expedient as well as unavoidable, *ib.*

Salutary effect of rises in the rate of discount, and of contraction of trade when there is an undue demand for capital, 3654-3657. 3718——Fault of the Bank if it does not strictly and speedily conform to the real market rate of interest, 3657——Objections to the proposal that the Bank should be restricted to a minimum rate of 4 per cent., 3658-3660.

Witness now looks upon the issue department as being so effectually separated from the banking department that it is not necessary or expedient to make the separation more complete, nominally, by placing the issues directly under Government, 3663-3671 ——The term "Bank" should not be associated with the issue department at all; the Bank have not, in fact, any power whatever over the issues, and are merely the mechanical agents of Government in the matter, 3664-3671.

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Panics. A run for gold is more likely to arise through the medium of the depositors than of the note-holders, *Weguelin* 698——A general alarm as to the security of the note is too remote a contingency to constitute an argument against extended issues, *Mill* 2305, 2306——The danger of a run upon a country bank arises more from the note-holders than the depositors, *Hubbard* 2507.

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Payment of Dividends. The public dividends each quarter, as managed and paid by the Bank, amount to about 5,800,000 *l.*, *Weguelin* 146, 147——In fixing upon the Bank of England as the agent for the payment of the dividends an additional security to the creditor may have been intended, though it is not legally given, *ib.* 376. 377. 383–388——Doubt whether the state, having paid the public monies to the Bank, would, if the Bank were to become bankrupt, again be liable to the public, *ib.* 389–391——Belief that a more equable distribution of the Government payments and charges, that is, monthly instead of quarterly, would not make any material difference to the Bank, or be more convenient to the commerce of the country, *ib.* 392–405.

Advantage in the payment of the dividends by the Bank, rather than directly by Government, with notes of its own issue, *Hubbard* 2463–2472.

See also *Audit Roll* (*Payment of Dividends*).

Peel, Sir Robert (*The late*). Belief as to Sir Robert Peel having contemplated that the Act of 1844 should lead to the introduction of one common bank of issue; that is, by the gradual extinction of the country issues, *Weguelin* 166, 167. 184–188. 899. 912, 913. 941–943. 945; *Newmarch* 1399–1402; *Hubbard* 2429; *Norman* 2939–2942. 3331–3334.

The true character of the paper note was grasped by Sir Robert Peel; hence the Act of 1844, *Right Hon. Lord Overstone* 3648——Neither politically nor socially had witness any connexion with Sir Robert Peel, nor did he ever have any communication with him on the subject of the Act of 1844, *ib.* 4019-4022——The immortal gratitude of this country is due to Sir Robert Peel for the great national benefit he has conferred by the passing of the Act, *ib.* 4020——Although witness had no communication with Sir Robert Peel relative to the Act of 1844, he and others had enunciated before the Select Committee in 1840 principles similar to those which Sir Robert Peel introduced into the Act, *ib.* 4120-4124.

Reference to some conversations between witness and Sir Robert Peel during the passing of the Act of 1844, at which the latter said, in reply to witness's representations

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Peel, Sir Robert (*The late*)—continued.

tions as to the restrictions upon issue, "there is always recourse to the Queen in Council," *Chapman* 5231, 5232——Circumstance of Sir Robert Peel having addressed a note to witness in April 1847, saying how glad he was to see that the crisis had passed; there was no similar note after the real crisis in October, *ib.* 5232–5235.

Perth Banking Company. Particulars as to the amount of capital, &c., and of the authorised and actual circulation in April 1857, *App. p.* 333.

Plymouth Branch (*Bank of England*). Account of the average circulation of twenty-one days and seven days bills in each of the years 1832 and 1847, *App. p.* 24——Account of the average circulation of seven days and other bills, in each year from 1848 to 1856, *ib.* 25.

Account of the average circulation of branch bank notes in each of the years from 1832 to 1847, both inclusive, *App. p.* 26——Similar account for each year from 1848 to 1856, *ib.* 27.

Weekly statement of the circulation of twenty-one and seven days bills during the year 1847, *App. p.* 28, 29——Similar statement for the year 1856, *ib.* 30. 34.

Weekly statement of the circulation of branch bank notes during the year 1847, *App. p.* 32, 33——Similar statement for the year 1856, *ib.* 34, 35.

Poorer Classes. Tendency of the present currency system to exclude the poorer classes from a proper share in those improvements and comforts to which their labour so largely contributes, *Capps* 5445–5466. 5493–5497.

Portsmouth Branch (*Bank of England*). Account of the average circulation of twenty-one days and seven days bills, in each year from 1832 to 1847, *App. p.* 24——Account of the average circulation of seven days and other bills, in each year from 1848 to 1856, *ib.* 25.

Account of the average circulation of branch bank notes in each year from 1832 to 1837, both inclusive, *App. p.* 26——Similar account for each year from 1848 to 1856, *ib.* 27.

Weekly statement of the circulation of twenty-one and seven days bills during the year 1847, *App. p.* 28, 29——Similar statement for the year 1856, *ib.* 30, 31.

Weekly statement of the circulation of branch bank notes during the year 1847, *App. p.* 32, 33——Similar statement for the year 1856, *ib.* 34, 35.

Pound Sterling. Witness looks upon the word "pound" as a term of account, and sees no intimate connexion between the value of a pound note and a sovereign, *Twells* 4644–4647. 4655, *et seq.*——Since 1819, witness has not known any discrepency between the value of the 5*l.* note and five sovereigns, *ib.* 4678–4684. 4717.

Objection to the pound being always 5 pennyweights 3 grains of gold, *Capps* 5473, 5474.

See also *Standard of Value.*

Prices. Effect of advances of capital, but not of increase of circulation, upon speculation and upon prices, *Weguelin* 1011 *et seq.* 1131–1135.

As the result of laborious investigation on the part of witness, he states that the amount of issues of paper does not exercise the least influence upon prices, *Newmarch* 1422, 1423—— Practically, where there has been a rise in prices, there has been a fall in the circulation, and *vice versâ*, *ib.* 1423——Temporary effect upon prices by undue advances of capital producing speculation, *ib.* 1635–1639——Absence, practically, of any effect upon prices by oscillations in the amount of bullion in the country, in consequence of the foreign exchanges, *ib.* 1979–1999.

Argument that the movements of bullion, and the consequent variations in the rate of interest, have no influence whatever upon prices, *Hubbard* 2400——Table delivered in (*App. p.* 290, 291), in illustration of the want of coincidence between prices and the rate of interest, *ib.* 2400, 2401——A high rate of discount has an immediate and sensible effect in causing sales of foreign securities bearing interest, though it has no effect upon the price of commodities, *ib.* 2400. 2402–2406. 2545–2555——The movement of prices determines the amount of circulation, but the circulation does not affect prices, *ib.* 2407. 2409.

Further statement that the amount of circulation does not affect prices, but is dependent upon prices, *Hubbard* 2578–2580. 2593. 2663–2666——Tendency of an expansion of prices to expand the circulation, and of a diminution of prices to contract it, *ib.* 2580. 2593. 2663–2666——A fluctuation in prices will result from an increase in the entire supply of the precious metals, but not from any alteration in their distribution from day to day, *ib.* 2581–2592——An advance in the rate of interest, and a consequent sale of securities by the commercial classes, would not necessarily have any connexion with, or effect upon, the price of wheat, or other commodities, *ib.* 2822–2837.

Action upon prices in the event of excess of issue, whether under a mixed currency, or a metallic currency, *Norman* 3050, 3051——Higher prices would partly be the effect and

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Prices—continued.

partly the cause of a temporary over-circulation, *Norman* 3152-3154. 3171——Effects of a continued adverse exchange to lead to a reduction of prices, and, *pari passu,* to diminish the coin in the hands of the public, *ib.* 3217-3221——Further statement as to the effect of an increased circulation upon prices, *ib.* 3294——The ultimate effect of increasing the quantity of money is to raise prices, not to lower interest, *ib.* 3523.

The prices of commodities are the last thing which is reached by fluctuations in the amount of money, *Right Hon. Lord Overstone* 3798, 3799——Natural effect of a rise in the rate of interest to lower the price of goods and of securities, and by increasing the value of money in the country to bring it thither from other countries, *ib.* 3805-3810.

Tendency of a scarcity of money to force sales and lower prices, *Twells* 4587-4590. 4595-4597.

Argument that under the present system, the increased price of commodities which indirect taxation renders necessary, cannot be obtained for any length of time together, because it leads to the export of gold from the country, *Capps* 5445-5451——Prejudicial effect of a heavy export of gold upon prices, *ib.* 5445-5447. 5480, 5481.

Table showing the amount of bullion in the Bank of England, the market rate of discount for good bills of exchange, and the prices of fifteen of the principal articles of commerce at the beginning of the months of March, June, September, and December, from March 1834 to December 1843, *App. p.* 290——Similar table for the months of March, June, September, and December, from March 1844 to December 1853, *ib.* 291.

Private Banks. Approval of an alteration of that clause of the Bank Charter Act which limits the partners in private banks to six, *Weguelin* 551-553.

Consideration of the question as to the Act having arrested the progress of the absorption of private banks by joint stock banks, and prevented the increase of the circulation of the latter, *Weguelin* 902-912. 920, 921. 929-935——Considerable decrease, since 1844, in the circulation of the notes of private banks, whilst the circulation of joint stock banks has remained about the same, *ib.* 902-911——Since 1833 the circulation of the private banks of issue has decreased from 8,500,000*l.* to 3,761,062*l.*, *ib.* 908——Tendency of the Act to diminish the number of private banks, *ib.* 914.

Return of the Circulation of Private and Joint Stock Banks in England, Scotland, and Ireland, in each month from September 1833 to April 1857, *App. p.* 148-152.

Account of the aggregate daily circulation of private banks of issue in England and Wales, from the 15th October 1844 to the 9th May 1857, *App. p.* 153-181.

Return showing the authorised issues of the notes of the private and Joint Stock Banks in England and Wales, and the actual amount issued, also the authorised issues of the banks in Scotland and Ireland, the actual amounts issued, and the amounts of bullion held by these banks respectively, in each week since the passing of the Acts of the 7 & 8 Vict. c. 32, and 8 & 9 Vict. c. 37 & 48, to the 9th May 1857, *App. p.* 182-203.

Account of the aggregate weekly circulation of Bank notes in the United Kingdom, distinguishing those of the Bank of England in the hands of the public, and the issues of other banks in England, Scotland, and Ireland, from 19 October 1844 to 9 May 1857, *App. p.* 214-232.

Return of the number of banks of issue and of non-issue that have been established in England and Wales in each year from 1819 to the present time, distinguishing joint stock banks from private banks; of the number which have relinquished business in each year, again distinguishing banks of issue and of non-issue, private banks and joint stock banks; and of the number which have relinquished business from failure and other causes, *App. p.* 234——Similar return as regards Scotland, *ib.* 235——Similar return as regards Ireland, *ib.* 237.

Account of the number of private banks of issue in England at the time of passing the Act of 1844, and whose issues were fixed by that Act; also the number which still continue in existence as banks of issue, and showing what number have ceased to issue, by compounding with the Bank to use Bank of England notes, and the number that have ceased by failing, *App. p.* 238.

See also *Country Banks.*

Profits of the Bank. Profit of 80,000*l.* a year on the issue of 14,000,000*l.*, *Weguelin* 137-142——Profit of from 20,000*l.* to 40,000*l.* a year upon bullion and foreign coin; how it arises, *ib.* 140. 142. 361-363——Fluctuation in the amount of profit derived by the Bank from the employment of the public balances, *ib.* 157, 158.

See also *Lost Notes. Government Debt.*

Public, The. See *Act 7 & 8 Vict. c. 32. Bullion Reserve,* 2. *Panics. Rate of Interest,* 3, 4, 5, 6. *Trade and Commerce.*

Publication of Accounts. See *Accounts* (*Bank of England*).

Purchases of Stock, &c. Return of all purchases and sales of public stocks or Exchequer bills, severally made by the Bank of England, in each week from 21 January 1848 to 2 May 1857, and the rates of such purchases and sales, *App. p.* 242-277.

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Railway Securities. The Bank of England have always had a certain amount invested in railway securities, *Weguelin* 260.

Increased field for the employment of capital by bankers since the existence of railway securities, *Chapman* 5117–5121.

Return of all railroad debentures purchased by the Bank, from the period of the first transaction of this description to 10 August 1846, *App. p.* 287——Statement, dated Bank of England, 7 January 1848, that no loans have been made by the Bank to railroad companies, or on the deposit of railway stock or bonds, *ib.*——Return of all railroad debentures purchased by the Bank from the year 1848 to 1856, *ib.* 287, 288.

RATE OF INTEREST:

1. *Principles by which the Bank is guided in altering the Rate.*
2. *Power of the Governor of the Bank to determine the Rate; Practice of the Court hereon.*
3. *Extent of Fluctuation previously to and since* 1844; *how far the Effect of the Act.*
4. *Question whether Fluctuations are desirable or otherwise.*
5. *Question whether the Bank has Power to affect the Market Rate.*
6. *Circumstances, independently of the Act of* 1844, *or of the Action of the Bank, upon which the Rate depends.*
7. *Increased amount of Discounts when the Rate is high.*
8. *Proposition for Regulating by Law the Rate of Interest by the Amount of Bullion.*
9. *Objection to the foregoing Proposition.*
10. *Proposition for a minimum Rate of Four per cent.*
11. *Objection to the foregoing Proposition.*
12. *Returns containing copious Particulars as to the Bank Rate in past Years.*

1. *Principles by which the Bank is guided in altering the Rate.*

The state of the reserve as affected by the demand for bullion is the guide by which the rate of interest is regulated, *Weguelin* 32, 33. 236–242. 362. 438–440. 1257, 1258——Practice of the Bank to follow the state of the market in regard to the rate of interest, and not to lead the way in reducing or raising the rate, *ib.* 250. 269–271——Difference of opinion amongst the Bank Directors as to an increased rate of interest being the best restriction for checking an efflux of bullion, *ib.* 311. 326, 327——The London bankers and discounters frequently anticipate the action of the Bank, *ib.* 485. 492. 495–499.

Intimate connexion between the interests of the public and the Bank, though an increased rate of interest adds to the profit of the latter, *Weguelin* 513–520——The only safe rule for the Bank to adopt, is to be guided by the principle of supply and demand, and to follow the market rate, *ib.* 1200–1212——There is a resolution of the Court that the rate shall always be kept approximate to the current rate out of the Bank, *ib.* 1259.

Inexpediency of the Bank of England being guided by the same principle as ordinary bankers in the management of its reserve, with reference to the rate of discount, *Newmarch* 1359. 1363–1367. 1440——In principle, it is quite expedient that as the bullion of the Bank decreases, the rate of interest should be raised, *ib.* 1434–1437. 1459——Magnitude of the Bank's resources, and moral influence of its actions adverted to as an argument against its lending its reserve in the same way as other money lenders, *ib.* 1889–1894.

The Bank has always followed the market in varying the rate, *Hubbard* 2369——Approval of a continued action upon the rate of discount as the best mode of correcting adverse foreign exchanges, *ib.* 2568–2574——By advances in the rate of interest concurrently with the sale of securities, the Bank can always establish a proper proportion between the reserve and the liabilities, *ib.* 2768–2773.

The power of raising the rate is found a sufficient check upon the amount of discounts demanded, *Norman* 3529——The Bank rate is never so low as the lowest rate out of doors, *ib.* 3530.

Fault of the Bank if it does not strictly and speedily conform to the real market rate of interest, *Right Hon. Lord Overstone* 3657——Effect of a diminution of the Bank reserve, and of the money in the country, to cause a higher rate of interest, and an increased value of the money still in the country, thereby leading to a rectification of the exchanges, *ib.* 3937–3943. 4029–4048. 4112–4117.

Necessity of the Bank conforming to the market rate, without being much above it or below it, *Chapman* 4872–4874——A contraction on the part of money dealers, when the

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RATE OF INTEREST—continued.

1. *Principles by which the Bank is guided in altering the Rate*—continued.

bullion reserve and note reserve are low, is a wholesome and beneficial operation, provided it be a gradual contraction, *Chapman* 4930–4937——Without reference to the state of things on the Continent, the main thing is to protect ourselves by raising the rate when bullion decreases, *ib.* 5082–5086.

Remarks by Mr. Thomson Hankey, in approval of a steady advance in the Bank rate of discount as the best means of checking undue pressure, *App. p.* 23.

2. *Power of the Governor of the Bank to determine the Rate: Practice of the Court hereon.*

The governor of the Bank has power to alter the rate of interest at any time without reference to the Court, *Weguelin* 441–443. 1184–1190——The rate is usually fixed every Thursday by a majority of the Court, and the Governor rarely alters it subsequently, *ib.* 1184, 1185. 1188.

Comment on the practice of the Bank in determining the rate of interest, *Newmarch* 1398.

The rate is entirely at the discretion of the Bank Directors, *Hubbard* 2681.

3. *Extent of Fluctuation previously to and since* 1844; *how far the Effect of the Act.*

Particulars as to the changes in the Bank rate of discount since April 1855, with a view to the protection of the reserve, *Weguelin* 31–34——Since 1844, there have been a great many changes in the rate of discount, *ib.* 532, 533.

Mischievous operation of the separation of the issue and banking departments, as producing undue fluctuations in the rate of interest, *Newmarch* 1356–1360. 1363–1367. 1431–1440. 1463–1471. 1855–1857. 1869–1878——The alterations since 1844 have been 60 in number, whereas the alterations prior to 1844, in the same space of time, did not amount to a dozen, *ib.* 1358——Comment on the reduction since 1844 of the Bank rate to so low a point as 2 per cent., *ib.* 1359, 1360. 1363. 1366. 1463–1471.

Witness further contends that the Act has had a most injurious effect, inasmuch as under it the Bank has thought fit to compete with other money lenders, and has, temporarily, no doubt, caused violent and irregular changes in the rate, *Newmarch* 1879–1884. 1895, 2896.

Examination on a paper which shows that in the ten years preceding 1844 the variations in the rates of interest allowed by London discount houses to London bankers were forty-three in number, and in the ten years succeeding 1844, were only twenty in number; the variations, however, since 1844 have been much greater in amount, *Newmarch* 1968–1977——In the ten years previous to 1844, the highest Bank rate was 5½ per cent., and the lowest rate 1½ per cent., showing an extreme variation of 4 per cent., *ib.* 1975——In the ten years since 1844, the highest Bank rate was 8 per cent., and the lowest rate 2 per cent, *ib.*

Effect of the separation of the departments in leading to more frequent and violent fluctuations in the rate of interest than was previously the case, *Mill* 2026–2029. 2032–2038. 2068–2070. 2102–2119. 2247–2259.

The separation of the departments has had nothing to do with the fluctuations in the rate, *Hubbard* 2365. 2366. 2380–2382. 2761, 2762——Witness delivers in a table showing the periods and extent of variation in the rate of discount at the Bank of England from 1844 to 1856, together with the amount of reserve and amounts under discount at the same period: remarks thereon, *ib.* 2759, 2760.

Denial that the separation of the departments has had any effect in regard to the fluctuations, *Norman* 2964. 2968–2981. 3005–3007——Probability of the rate of interest having varied more since the Act of 1844 than previously, *ib.* 3520.

Witness denies that the fluctuations have been greater since 1844 than they were in former years; facts in support of this statement, *Right Hon. Lord Overstone* 3653. 3661, 3662. 3847——Evidence in refutation of the statement that the separation of the departments has acted injuriously as regards the bullion reserve and the rate of interest, *ib.* 3653. 3661, 3662. 3961–3968——Effect of the Act of 1844 to cause very frequent alterations in the rate of interest, but very small in extent, and extremely salutary in their operation as compared with the fluctuations under former systems, *ib.* 3778–3786.

Effect of the restrictions of the Act in raising the rate of interest, *Alexander* 4325–4329.

The rate of discount remained at 5 per cent. from about 1800 to 1822, and was adopted generally by bankers and bill brokers; this was the result of the steadiness of the currency, *Twells* 4420–4438——From 1819 to 1844, the rate changed probably from 40 to 50 times, whereas previously, it was uniformly 5 per cent., *ib.* 4486——Failure of the Act of 1844, in its object of preventing the recurrence of such fluctuations as those of 1824, 1829, and 1830, *ib.* 4507–4511——Looking to the experience of the earlier part of the centuyr

RATE OF INTEREST—continued.

3. *Extent of Fluctuation previously to and since* 1844, *&c.*—continued.

century, witness considers that regularity in the rate of discount is not impossible, *Twells* 4512——The natural tendency of an accumulation of capital as in this country should be, to lower the rate of interest, whereas the present restrictions periodically force up the rate, *ib.* 4614, 4615——Although the rate of interest has at times been very low since 1844, bankers have greater means of making profits than they previously had, *ib.* 4781–4795.

Tabular statement of the rates charged by witness's house from 1824 to 1857; impression that the rates since the Act have been lower than they were previously, *Chapman* 4876—— Considerable inequalities in the several years from 1824 to 1844, *ib.* 4876, 4877.

Witness considers that the fluctuating and high rates of interest for several years past are the result of an Act of Parliament, and might be prevented by an Act of Parliament, *Capps* 5430. 5469–5472.

Violent fluctuations in the rate of interest adverted to by Mr. Bonamy Dobree as not guarded against under the Act of 1844, *App. p.* 21, 22.

4. *Question whether Fluctuations are desirable or otherwise:*

Evils consequent upon frequent fluctuations in the rate of interest as has been the case since 1844, *Newmarch* 1357–1360, 1430–1440. 1472–1480. 1879–1884. 1895, 1896; *Mill* 2,026 *et seq.*

The variations in the rate of interest can hardly have had any injurious effects upon commerce, inasmuch as the Bank discounted 25,000,000*l.* in one year without incurring any bad debts, *Hubbard* 2774–2777.

Salutary effect of rises in the rate of discount, and of contraction of trade when there is an undue demand for capital, *Right Hon. Lord Overstone* 3654–3657. 3718——The more frequent the variations are, the more minute they will be, and the more effectually will accomplish their object, *ib.* 3718. 3782–3786——The idea of the profits of trade being destroyed by high rates of interest is most erroneous, *ib.* 3722 *et seq.*; 3815–3817. 3847 *et seq.*——Soundness of the principle that the price paid for the use of loanable capital should vary in accordance with the supply of such capital, *ib.* 3854–3858.

The more equable the rate is, the better for merchants generally, *Alexander* 4326. 4363.

Fluctuations may well be acceptable to bankers and money-dealers, but not to commercial men or small tradesmen, *Twells* 4493. 4612–4616. 4649–4654——Less steadiness in trade in consequence of the fluctuations, *ib.* 4605. 4617——Violent fluctuations tend towards making the rich man richer and the poor man poorer, *ib.* 4608.

An increased rate of interest is the only safety-valve when the bullion is diminishing, *Chapman* 4937——Extent to which advances in the rate of discount attract capital from abroad, *ib.* 5068–5074——Tendency of a lower rate in this country than on the Continent to drive money abroad, *ib.* 5075–5081——A continuance of a high rate of interest is an indication of prosperity, *ib.* 5143–5149.

5. *Question whether the Bank has Power to affect the Market Rate:*

Absence of power in the Bank to regulate, for any time, the market rate of interest, *Weguelin* 251, 252. 269–271. 475 *et seq.*, 1191–1199——Wide distinction between the market rate of discount and the rate of interest, *ib.* 480–483——Limited extent to which the bankers regulate their rate by the Bank rate, *ib.* 488–496.

Under certain conditions only of the money market does the Bank influence the rate of interest, and then only temporarily, *Newmarch* 1440. 1460–1462——In a falling market the Bank has had the effect of driving down the rate lower than it would have gone of its own accord, *ib.* 1460, 1461. 1879. 1886——In times of commercial difficulty the Bank rate has a material effect upon the rate in the market, *Mill* 2038. 2149–2151. 2258, 2259.

Except under very partial and peculiar circumstances the Bank has no power at all over the rate of discount, *Hubbard* 2365–2369. 2372; *Norman* 2971–2975. 3000–3004——But few persons can be so foolish as to believe that the Bank fixes the rate of discount, *Norman* 2974. 3000–3003——Further statement that, save at exceptional periods, such as the end of a quarter, the Bank of England has no power to affect the market rate, *ib.* 3526.

Argument that all great changes in the rate of discount are not the result of changes in the amount of bullion or money in the Bank, but have reference to the relation between the supply and demand of capital, *Right Hon. Lord Overstone* 3652, 3653. 3718. 3722 *et seq.* 3746–3755. 3782. 3804. 3847. 4242–4248——Fallacy of the term "raising the rate of discount," as applied to the Bank, *ib.* 3800——The value of money rises by natural circumstances, and the Bank is obliged to conform to that rise, or, in other words,

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RATE OF INTEREST—continued.

5. *Question whether the Bank has Power to affect the Market Rate*—continued.

a higher rate of interest is forced upon the Bank, *Right Hon. Lord Overstone* 3800–3808——The Bank has no arbitrary power whatever of raising or lowering the rate of interest, *ib.* 4006, 4007. 4064, 4065.

Evidence to the effect that the market rate of discount is at times influenced by the Bank rate, and that the Bank rate is also at times influenced by the market rate, *Chapman* 4839–4848. 4864–4874——Influence of the Bank with regard to the rate at periods when the supply of money in the market is so low as to compel the public to have recourse to the Bank; this is especially the case at the end of each quarter, before the payment of the dividends, *ib.* 4840–4844——Effect of a diminished circulation in the hands of the public in giving to the Bank a control in regulating the rate, *ib.* 4844–4848.

Practice of witness's house in regard to the rate of discount; attention necessarily paid to the Bank rate, whilst at the same time the state of the market is the chief guide, *Chapman* 4863–4871——Lower rate charged on the average by witness's house than by the Bank, *ib.* 4865–4869——Tendency of competition in the market to bring the rate out of doors below the Bank rate, *ib.* 4866–4871——Practically, the Bank rate operates as a sort of maximum to private discount, *ib.* 4866——Statement to the effect that when the rate of interest is low, the market rate is a little below the Bank rate, and when it is high, is a little above the Bank rate, *ib.* 5087–5096.

6. *Circumstances, independently of the Act of* 1844, *or of the Action of the Bank, upon which the Rate depends:*

Fluctuations in the rate of discount are unavoidable, *Weguelin* 513. 519——The fact is that the variations in the rate of interest arise from causes which are in the hands of Providence itself, *Hubbard* 2365——Close affinity between the movements in the amount of bullion and the rate of interest, *ib.* 2400——The rate of discount is now, to a considerable degree, self-acting, *ib.* 2848.

Absence of any close relation between the rate of discount and the rate of interest upon Government securities, *Norman* 2998, 2999——Slight and temporary effect of the amount of notes with the public on the rate of interest, *ib.* 3521. 3523——Opinion that the rate permanently depends upon the demand and supply of capital, *ib.* 3522, 3523——Tendency of a contraction of the currency to raise the rate of interest, and of an expansion of the currency to lower the rate, *ib.* 3523.

All great fluctuations in the rate are the result of alterations in the value of capital or in the amount of money in the country, *Right Hon. Lord Overstone* 3652, 3653. 3718. 3749–3755. 3782. 3802–3804——Evidence relative to the high rate of interest during the last few years, to the effect that the same is mainly owing to the immense development of the trading operations of this country and of the world, and the consequent increase in the value of capital, *ib.* 3718. 3722 *et seq.*; 3804. 3847——Close relation between variations in the rate of interest and the state of the reserve, on the ground that the reserve is the indicator of the increase or decrease of the quantity of money in the country, *ib.* 3841——Denial that fluctuations are avoidable so far as the Bank is concerned, *ib.* 3847.

Repetition of former evidence as to the fluctuations in the rate of interest being dependent upon the quantity of money or upon alteration in the relation between the demand and supply of capital, such relation being moreover necessarily subject to rapid fluctuation, *Right Hon. Lord Overstone* 4242–4248.

Material effect upon the rate of discount of a demand for money upon consols or Exchequer bills, *Chapman* 4886–4890——Absence of close relation between a rise in the rate of discount and a fall in the price of funds, *ib.* 4888–4894——Natural consequence of increased demand for capital that the rate of interest is higher, *ib.* 5142, 5143.

7. *Increased Amount of Discounts when the Rate is high:*

Larger amount of Bank discounts in proportion as the rate is high, *Weguelin* 269; *Mill* 2148; *Hubbard* 2376–2379; *Norman* 2994–2997——Tabular statement delivered in, containing particulars as to the Bank rate from 1844 to 1856, and showing that the Bank discounts are greatest when the rate is highest, *Hubbard* 2759, 2760——Amount of discounts of witness's house in proportion to the rate, whether high or low; they are very large under the present high rate, *Chapman* 5155–5161. 5322–4326.

8. *Proposition for regulating by Law the Rate of Interest by the Amount of Bullion:*

Suggestion that the Bank be compelled by law to vary the rate of interest in accordance with the amount of bullion; the rate should be fixed at 5*l.* per cent. when the bullion is at 10,000,000*l.*, and should rise a half per cent. with every 500,000*l.* of fall, *Chapman* 4938. 4978–4999——When the bullion would be down to 5,000,000*l.* the rate would be ten per cent., which would be sure to check the drain, *ib.* 4979. 5175. 5332——Importance of making it imperative on the Bank to raise the rate as the bullion falls, *ib.* 4983. 4999.

Witness

Report, 1857—*continued.*

RATE OF INTEREST—continued.

8. *Proposition for regulating by Law the Rate of Interest, &c.*—continued.

Witness does not propose to interfere with the discretion of the Bank in regard to the rate of interest when the bullion is above 10,000,000 *l.*, *Chapman* 4984-4987——Witness sees no objection to the same rate in accordance with the amount of bullion, whether the bullion be falling or increasing at the time, *ib.* 4993-4998.

The maintenance of specie payments being the first thing absolutely necessary, it is of essential importance that a contraction of the currency be compulsory when the bullion falls, *Chapman* 5006. 5057. 5067. 5174——Importance of raising the Bank rate to ten per cent. when the bullion is at 5,000,000 *l.*, in order to protect payments in specie, *ib.* 5332. 5340-5342.

9. *Objection to the foregoing Proposition:*

Evidence opposed to a proposition for regulating by law the rate of interest by the stock of bullion, and for issuing upon securities at a high rate in proportion as the bullion decreases, *Weguelin* 306-322.

A restriction upon the rate of interest would be better than a restriction upon the amount of bullion; witness is not however prepared to recommend the former, *Mill* 2015. 2070, 2071.

Inexpediency of a mechanical self action by which the rate should fluctuate, with reference solely to the amount of the reserve, *Hubbard* 2849-2851——A power in the Bank to raise and lower the rate at its discretion is absolutely essential, *Norman* 3532.

10. *Proposition for a Minimum Rate of Four per Cent:*

Evidence in favour of the adoption by the Bank of a rule not to discount at a lower rate than four per cent., *Newmarch* 1360-1362. 1440-1458. 1494-1497——Circumstance of the Bank having never discounted at a lower rate than four per cent. previously to 1844, *ib.* 1361. 1450-1454. 1527——It is inexpedient that the Bank should ever reduce its rate very low, notwithstanding that its reserve of bullion may be very large, *ib.* 1438-1447——Different modes in which the Bank might employ its money, even at a lower rate than four per cent., without lending it on bills of exchange at such lower rate, *ib.* 1448-1458. 1526, 1527——Claim of the Bank to additional compensation if they be restricted in regard to the rate of interest, *ib.* 1553. 1901-1903.

Further evidence in favour of the Bank being restrained, but not by Act of Parliament, from discounting at less than four per cent.; objections to this proposition considered, *Newmarch* 1880. 1885-1904.

11. *Objection to the foregoing Proposition:*

The proposition of Mr. Newmarch that the Bank rate should never be less than 4 per cent. is extremely unsound, and might moreover be easily evaded, *Hubbard* 2370-2375——Disapproval of the Bank being limited to a minimum rate of discount of 4 per cent., *Norman* 2978——Objections to the proposal that the Bank should be restricted to a minimum rate of 4 per cent., *Right Hon. Lord Overstone* 3658-3660——Total disapproval of legislating for a permanently low rate, *Chapman* 4938-4940.

12. *Returns containing copious Particulars as to the Bank Rate in past Years:*

Return of the several Rates at which the Bank of England has advanced money on loan, with the date at which each such rate has been established, and the period during which it has prevailed, and the amount of money advanced under such rate, from the 1st of January 1844 to the 1st of January 1848, *App. p.* 36-43——Similar return for the period from the 8th January 1840 to the 27th December 1856, *ib.* 44-61.

Return of the highest and lowest rates at which the Bank has advanced money on loan or discount, with the date at which each such rate has been established, and the period during which it has prevailed, and the amount of money advanced under each such rate, from the 1st of January 1844 to the 24th of December 1847, *App. p.* 62-67.

Return of the several rates at which the Bank has discounted bills of exchange, together with the weekly amount of the money discounted under each rate, from the week ending 1st January 1848 to the week ending 27th December 1856, both inclusive, *App. p.* 68-81.

Account of the minimum rate of interest charged by the Bank, from the last day of each week, from the 7th September 1844 to the 24th December 1847, *App. p.* 114-119——Similar account from the last day of each week, from the 1st January 1848 to the 27th December 1856, *ib.* 120-135.

Account of the minimum rates of interest charged by the Bank, from the last day of each week, from the 7th September 1844 to the 27th December 1856, *App. p.* 136-147.

Report, 1857—*continued.*

RATE OF INTEREST—continued.

12. *Returns containing copious Particulars as to the Bank Rate, &c.*—continued.

Return of the amount advanced for temporary loans, and of the rate of interest thereon, upon Exchequer Bills, bills of exchange, India bonds, &c., in each quarter, from 5th April 1848 to the 5th of January 1857, *App. p.* 283.

Return of the highest and lowest rate of interest charged by the Bank on all loans or discounts in each month from 1st January 1848 to 31st December 1856, distinguishing loans on security of real estate, loans on stock or public securities, and the discount of commercial paper, *App. p.* 284, 285.

Return of all loans to canal, dock, or other such public companies, or on the deposit of securities of such companies; stating the rate of interest charged on each call or loan, from the 1st January 1832 to 1847, *App. p.* 286——Similar return for the period from 1848 to 1857, *ib.*

Table showing the amount of bullion in the Bank of England, the market rate of discount for good bills of exchange, and the prices of fifteen of the principal articles of commerce at the beginning of the months of March, June, September and December, from March 1834 to December 1843, *App. p.* 290——Similar table for the months of March, June, September and December, from March 1844 to December 1853, *ib.* 291.

Return of the minimum rate of discount on each Saturday during the drain of 1846-47, and the pressure from the autumn of 1853 to the summer of 1857, *App. p.* 302-305.

Statement of the total amounts in bills of exchange (inland bills), drawn or created in England and Wales, during each quarter of the twenty-four years, 1830-1853; distinguishing the three groups of small, medium, and large bills; with a collateral column of the rate of interest in London on first-class bills during each quarter, and also of the average circulation during each quarter, of the notes of the Bank of England, and of the notes of private and joint-stock banks of England and Wales, *App. p.* 324-326—— Explanatory remarks by Mr. Newmarch on the foregoing return, *ib.* 326, 327.

See also *Bills of Exchange. Discounts. Drains of Bullion and Monetary Pressures Overend, Gurney, & Co. Prices. Separation of Issue and Banking Departments*, 2. 3. *Speculation. Term of Bills. Tooke, Mr. Trade and Commerce. Usury Laws.*

Readman, George. Letter from Mr. Readman, manager to the Clydesdale Banking Company, to Sir G. C. Lewis, dated 14 February 1857, complaining of the operation of the Act 8 & 9 Vict., c. 38, in regard to the unincorporated banks of Scotland, and suggesting important alterations in the Act, *App. p.* 331, 332——Statement also in this letter with reference to the prejudicial operation of the Act 9 & 10 Vict. c. 75, *ib.* 331.

Re-appointment of Committee. The Committee recommend that a Select Committee be appointed to resume the inquiry in the ensuing Session, *Rep. p.* iii.

Re-discounts. Inexpediency of the discount houses going to the Bank to discount their bills, save under exceptional circumstances, *Chapman* 5196——The practice of the London joint-stock banks not to re-discount their bills is different from the practice of the discount-houses, *ib.* 5211-5216.

Relaxation of Act of 1844. See *Discretionary Issue. Drains of Bullion and Monetary Pressures*, II. 2, 3. *Extension of Issue. Government Interposition.*

Renewal of Act of 1844. See *Act* 7 & 8 *Vict.* c. 32.

RESERVE OF BULLION (ISSUE DEPARTMENT):

1. *Primary Importance of Attention by the Bank to the State of the Bullion Reserve.*
2. *Larger Reserve in consequence of the Act of* 1844.
3. *Causes, other than the Provisions of the Act, to which the increased Reserve may be owing.*
4. *Feeling of the Public in regard to the State of the Reserve.*
5. *Proposition for an Average Reserve of from Ten to Twelve Millions.*
6. *Evidence opposed to the foregoing Proposition.*
7. *Other Evidence of a general Nature.*
8. *Returns containing Particulars as to the Reserve at different Periods.*

1. *Primary Importance of Attention by the Bank to the State of the Bullion Reserve:*

Main duty of the Bank to watch its reserve, and thereby to maintain its credit, *Weguelin* 620-626——Bank notes not being a legal tender by the Bank, it is essential that the reserve should consist of gold, *ib.* 634-641——In the management of the Bank the main thing to look to is the proportion of unemployed bullion, *Weguelin* 1164, 1165; *Hubbard* 2767——Witness decidedly objects to any issue of notes by the Bank of England, or any other bank, unless there be an ample reserve of gold in the one case, and of Bank of England notes or gold in the other case, wherewith to pay the notes of issue, *Weguelin* 1331.

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Report, 1857—*continued.*

Reserve of Bullion (*Issue Department*)—continued.

1. *Primary Importance of Attention by the Bank to the State, &c.*—continued.

The security of our monetary system depends upon the maintenance of the reserve, *Right Hon. Lord Overstone* 4014.

Any provision for an occasional enlargement of the circulation must still have reference to the bullion, *Chapman* 4905——A contraction of the currency, when the reserve falls, is a matter of the first importance; suggested compulsory action of the Bank hereon, *ib.* 4938. 4978 *et seq.* 5332. 5340–5342.

Remarks by Mr. Weguelin, in letter of 10 November 1856, upon the expediency, under any system of issue, of keeping up a certain metallic reserve, *App. p.* 2.

2. *Larger Reserve in consequence of the Act of* 1844:

Favourable working of the Act shown by the fact, that the stock of bullion was never less than nine and a half millions in 1856, whereas in 1825 it was reduced to 1,261,000 *l.*, and in 1839 to 2,406,000 *l.*; *Weguelin* 25–29——With the view of ensuring the convertibility of the note, the Act of 1844 has compelled the Bank to keep a larger amount of bullion than previously, no reserve having formerly been required against the circulation, *ib.* 877, 878. 889, 890——The comparatively large reserves of bullion held by the Bank since 1844 are attributable to the discretion in the management, and not to the restrictions in the Act; without the Act there would be the same obligation felt to return a sufficient reserve of bullion, *ib.* 1222–1232.

Opinion that the reserve of gold being greater since 1844 is in consequence of the Act, *Neave* 1224.

Grounds for concluding that the practical effect of the Act has been largely to increase the reserve of bullion in the Bank, *Hubbard* 2341–2347. 2644. 2682——Since 1844 it has been almost impracticable to reduce the reserve under 8,000,000 *l.*; *ib.* 2343, 2344——In limiting the amount of the credit issue, the Act of 1844 necessarily provides in practice, though not in law, for a reserve of bullion, *ib.* 2728–2732. 2739–2741——Under the Act of 1844 it is almost impossible for the bullion reserve to be reduced to 2,000,000 *l.*; *ib.* 2797.

Belief that the larger bullion reserve of the Bank since 1844 has been mainly owing to the Act of that year, *Norman* 2877–2887.

Effectual protection of the bullion reserve, under the operation of the Act, as shown in the drains of 1847 and 1856–57, *Right Hon. Lord Overstone* 3648——Explanation of the mode in which the Act necessarily provides against undue reduction in the amount of bullion, *ib.* 3649–3651——Argument that the import of gold from Australia and California has had nothing to do with the increased reserve, *ib.* 3649.

3. *Causes, other than the Provisions of the Act, to which the increased Reserve may be owing:*

The larger bullion reserves of the Bank since 1844 are attributable to the influx of gold from Australia, &c., and not to the operation of the Bank Charter Act, *Newmarch* 1348–1354. 1427–1429. 1508, 1509——Further statement in support of the opinion that the larger reserve of bullion in the Bank, at different periods since 1844, is not owing to the Act of that year, *ib.* 1716–1726——Increase, on the whole, in the reserve of bullion in 1855 and 1856, as compared with 1843 and 1844, *ib.* 1907–1911.

Doubt whether the operation of the Act has caused the larger reserve which the Bank has held since 1844, *Mill* 2022–2026——Causes independently of the Act which may account for the larger reserve since 1844, *ib.* 2023, 2024——Large amount of bullion in the Bank in 1844 before the Act came into operation, *ib.* 2206–2209.

A portion of the increase is probably owing to the increased import of gold, *Norman* 2883–2887——The increased reserve is largely attributable to the increased imports from California and Australia, *Twells* 4591; *Chapman* 5310–5314.

4. *Feeling of the Public in regard to the State of the Reserve:*

Absence, generally, of anxiety in the public mind with regard to the state of the reserve, *Weguelin* 35——The wrong inferences occasionally drawn by the public from a diminution of the reserve, when effected by internal demand, do not supply a sufficient reason for an alteration of the law, *ib.* 61–63——Probability of the public having, in time, greater confidence in the Bank operations, though the reserve may be low, *ib.* 62, 63——The periodical diminution of the reserve is well understood by the Bank, though it may, as in October 1847, unduly alarm the public, *ib.* 401–405.

Natural anxiety of the public in regard to the state of the Bank reserve, *Right Hon. Lord Overstone* 3838–3840; *Chapman* 5302–5304——Feeling of the public as to the effect of the amount of the reserve upon the rate of interest, *Right Hon. Lord Overstone* 3840——Any withdrawal from the reserve, whether under a mixed circulation, or a metallic circulation, will at once have a powerful and salutary effect upon the action of the public, *ib.* 3933–3943.

Report, 1857—*continued.*

Reserve of Bullion (*Issue Department*)—continued.

4. *Feeling of the Public in regard to the State of the Reserve*—continued.

Whether the till of the Banking Department is more or less full of notes the public should be warned as early as possible of a falling bullion, *Chapman* 4975-4977. 5006. 5014. 5057-5061——Necessity of money dealers acting with great care when they see that the money is diminishing, and that the reserve of notes is small, *ib.* 5057-5063——The alarm of the public does not arise from fear of the solvency of the Bank, *ib.* 5303, 5304.

5. *Proposition for an Average Reserve of from Ten to Twelve Millions:*

Concurrence in Mr. Tooke's view that the Bank should hold a reserve in bullion of not less than 10,000,000*l.* or 12,000,000*l.* to be determined upon a principle of an average of years, *Newmarch* 1368-1392——An arrangement for a larger average store of bullion, as proposed by Mr. Tooke, should involve compensation to the Bank, *ib.* 1369. 1382. 1489——Advantage of an arrangement like the foregoing being settled between the Government and the Bank, and not defined by Act of Parliament, *ib.* 1368. 1378-1392——The amount of bullion which witness suggests that the Bank should hold would form a portion of the assets, and would be a guarantee equally for the deposits and the circulation, *ib.* 1490-1493——The maintenance of a certain amount of bullion in proportion to the total liabilities of the Bank, might be effected by the Bank not reducing its rate of interest below a certain point, such as 4 per cent.; explanation hereon, *ib.* 1494-1507.

The proposition by Mr. Tooke, that the Bank should keep an average reserve of 12,000,000*l.* in bullion could not be enforced by law, *Mill* 2012-2014——Sounder principle involved in Mr. Tooke's proposition than in the existing limit upon issue, *ib.* 2016-2019——There should be some understanding as to the reserve of bullion to be held; the sum specified might be from 10,000,000 *l.* to 12,000,000*l.*, *ib.* 2072. 2075. 2185.

Recommendation by Mr. Blair, manager of the Bank of Scotland, that the Bank should hold an additional reserve of 3,000,000*l.*, *App. p.* 329.

6. *Evidence opposed to the foregoing Proposition*:

Inexpediency of a system of compensation to the Bank, with a view to the maintenance of an increased reserve to meet any subsequent pressure, *Weguelin* 265-268.

Arguments opposed to the proposition of Mr Tooke and Mr. Newmarch, that the Bank should keep an average of about 10,000,000*l.* or 12,000,000*l.* in bullion without any limit upon issue, *Hubbard* 2349-2353——The plan of Mr. Tooke would be very costly and cumbrous without obtaining any useful object, *ib.* 2349, 2350——Inadequacy of a stipulated amount of reserve as a means sufficient of itself to meet the pressure of 1847, or of the late war, *ib.* 2393-2396.

Witness totally dissents from the doctrine, that if the Bank hold a certain large amount of bullion, a drain upon it may be suffered to run its course without doing any mischief, *Norman* 3516-3519.

7. *Other Evidence of a general Nature:*

The Bank reserve is not influenced in the same way as the reserve of ordinary bankers, and chiefly depends upon the state of the exchanges, *Weguelin* 8-11. 237-241——As a rule, variations in the bullion depends upon variations in the advances upon securities, *ib.* 1125-1128——The whole object of the Act of 1844 would probably be gained if the Bank were required to keep a certain amount of bullion in proportion to its circulation and deposits, *ib.* 1166, 1167.

The reserve of the Bank of England stands in a very different position towards the public from what the reserve of a private bank does, *Newmarch* 1364. 1415. 1440——As a general rule, the Bank may be said to be passive in regard to any decrease or increase of the bullion reserve, *ib.* 1497——The notes in the Banking Department witness always looks upon as constituting the bullion reserve, *ib.* 2004.

Necessity of clearly distinguishing between the issue and banking departments in considering the effect of the Act upon the reserve of the bullion, *Mill* 2021, 2022. 2026——Mischievous operation of the Act in requiring, for the sake of safety, a larger reserve than the Bank has at times held, *ib.* 2022. 2026. 2032-2034. 2292-2297.

Causes of fluctuation in the bullion; the cashment of debts due by foreign countries tends to an increase in the bullion, *Hubbard* 2560-2566——The reserve of the Bank is dependent on the discretion with which the business is conducted, but the bullion in the Issue Department is not dependent on the same discretion, *ib.* 2682-2685.

Reference to a suggestion by witness fourteen years ago, with a view to retaining a sufficient proportion of bullion to the entire currency under certain contingencies, producing a diminished currency, or an enlarged currency, *Hubbard* 2744——Any permanent scheme should be accompanied by some provision for keeping a reserve of bullion sufficient to meet unforeseen contingencies, *ib.*

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Report, 1857—*continued.*

Reserve of Bullion (Issue Department)—continued.

7. *Other Evidence of a general Nature*—continued.

In the time of a purely metallic currency, and equally in the case of mixed currency, witness would consider the bullion reserve in the Bank as part of the currency or "money" of the country, *Norman* 3209-3216.

The bullion is not in the Bank of England at all, but in the Issue Department, *Right Hon. Lord Overstone* 3649. 4168, 4169——The bullion in the Issue Department cannot, as well as the rules which represent such bullion, form part of the currency, *ib.* 3880. 4163-4166——The bullion in the Issue Department represents equally the notes in the hands of the public and of the Banking Department, *ib.* 3945.

8. *Returns containing Particulars as to the Reserve at different Periods:*

Return of the lowest amount of bullion in the Bank in the years 1825, 1837, 1839, 1847 and 1856; the lowest amount was 1,261,000 *l.* in 1825, *App. p.* 89.

Account of the amount of all bullion held by the Bank on the 28th February and the 31st August in each year, from 1778 to 1847 inclusive, *App. p.* 90-92——Similar account for each year, from 1848 to 1856, *ib.* 93.

Account of the gold coin and bullion, and of the silver bullion of the Issue Department as published weekly in the "Gazette," since the passing of the Act 7 & 8 Vict. c. 32, from 31st August 1844 to 25th December 1847, *App. p.* 94-99——Similar account for each week, from 1st January 1848 to 27th December 1856, *ib.* 100-113.

Account of the total amount of bullion in the Bank on the last day of each week, from the 7th September 1844 to the 24th December 1847, *App. p.* 114-119——Similar account from the last day of each week from the 1st January 1848 to the 27th December 1856, *ib.* 120-135.

Accounts of the total amount of bullion held by the Bank of England from the last day of each week, from the 7th September 1844 to the 27th December 1856, *App. p.* 136-147.

Amount of bullion in the Bank in each month from September 1833 to April 1857, *App. p.* 148-152.

Total of 10,343,710 *l.* as the bullion in the Bank on the 28th February 1857, *App. p.* 233.

Table showing the amount of bullion in the Bank of England, the market rate of discount for good bills of exchange, and the prices of fifteen of the principal articles of commerce at the beginning of the months of March, June, September and December, from March 1834 to December 1843, *App. p.* 290.

Similar table for the months of March, June, September and December, from March 1844 to December 1853, *App. p.* 291.

Return of the bullion in the Bank on each Saturday during the drain of 1846-47, and during the period of pressure from the autumn of 1853 to the summer of 1857, *App. p.* 302-305.

See also *Accounts (Bank of England). Circulation. Claim of Depositors and of Noteholders. Convertibility. Deposits (Bank of England). Drains of Bullion and Monetary Pressures. Extension of Issue. Gold. Issue Department. Rate of Interest. Reserve of Notes and Bullion (Banking Department). Restriction upon Issue,* I. *Sales of Securities. Separation of Issue and Banking Departments,* 2. 3. *Term of Bills.*

Reserve of Bullion (Country Banks of Issue). Return showing the authorised issues of the notes of the private and joint-stock banks in England and Wales, and the actual amount issued; also the authorised issues of the banks in Scotland and Ireland, the actual amounts issued, and the amount of bullion held by the banks respectively, in each week since the passing of the Acts of the 7 & 8 Vict. c. 32, and 8 & 9 Vict. c. 37 & 38, to the 9th May 1857, *App. p.* 182-203.

Account of the aggregate weekly circulation of the notes of banks of issue in Scotland and Ireland, distinguishing those of 5 *l.* and upwards, and those under 5 *l.*, and showing the total amount in Scotland and Ireland respectively, with the amount of bullion held, from the 13th December 1845 to the 9th May 1857, *App. p.* 204-213.

Reserve of Notes and Bullion (Banking Department). Respect in which the Bank reserve differs from the reserve of other bankers, and is not influenced by the same circumstances, *Weguelin* 8-11. 237-241——In the Banking Department the reserve of notes and gold was never below 3,000,000 *l.* in 1856, *ib.* 26. 35——The lowest state of the reserve is about three weeks after the payment of the dividends, *ib.* 34. 40. 64. 67——Objections to any close investment of the reserve; discretion at present of the Bank Direction in regard to the investment of its reserve, *ib.* 247-249.

Evidence as to its being considered expedient to maintain a reserve of not less than one-fourth of the deposits; reduction of the reserve to three millions in October last adverted to hereon, *Weguelin* 259. 276-283——The amount of the reserve depends on the

Report, 1857—*continued.*

Reserve of Notes and Bullion (*Banking Department*)—continued.

the value of money, a large reserve being unavoidable when money is abundant, *Weguelin* 263. 265. 268, 269——Belief that the reserve of the Bank of England is larger than the reserve of private banks, as well as of joint-stock banks; necessity of this, *ib.* 284-286. 328, 329——The banking reserve, though consisting only of the notes not in active circulation, is in point of fact a reserve of bullion, and is only affected by a demand for bullion, *ib.* 300-302.

The Act of 1844, though altering the power of the Bank over the bullion, is perfectly simple and easy of application as regards the reserve, *Weguelin* 302-305——The Bank reserve is not affected by demands for discount, unless the demands are satisfied in the shape of bullion, *ib.* 499, 500——The periodical fluctuations caused in the reserve of notes by the payment of dividends, &c. amount to about 2,000,000 *l.* or 2,500,000 *l.*, *ib.* 1122-1124——Great effect of the reserve of the Bank upon the trade of the country; it represents the accumulation of unemployed capital, *ib.* 1130.

The notes issued from the Issue Department to the Banking Department are clearly not a liability on the part of the Bank, as not being in the hands of the public, *Newmarch* 1685, 1686——The notes in the Banking Department should be considered as equivalent to so much gold, *ib.* 1873, 1874.

The average amount of bullion in the Banking Department is not more than about 600,000 *l.*, *Hubbard* 2327——The reserve of notes in the department is a voucher for so much bullion, precisely in the same way that notes in the hands of the public are vouchers for bullion, *ib.* 2328-2331.

Illustration showing that the notes in the Bank, or the Bank reserve, are of the greatest importance with regard to the monetary operations of the country, and practically are a most active portion of the circulation, *Right Hon. Lord Overstone* 3832-3836. 3890, 3891. 3900——Intimate connexion between the state of the reserve of the Bank and of the bullion in the Issue Department, *ib.* 3842.

Remarks with reference to a statement by witness in 1840, that the notes in the hands of the public should conform to the fluctuations in the amount of bullion; explanation that there was at this period no accurate knowledge of the state of the reserve in the Bank, *Right Hon. Lord Overstone* 3892-3907——The want, previously to 1844, of a proper definition and limit of the Bank reserve, was the cause of numerous evils which the present Act has entirely guarded against by supplying the want in question, *ib.* 3895.

The reserve of the Bank consists of that amount of notes issued by the Issue Department which is not elsewhere than in the Bank, the Bank having power to convert such notes into bullion by presenting them at the Issue Department, *Right Hon. Lord Overstone* 3944. 3960——Necessary consequence of an export of bullion that the reserve of the Bank of England, as well as of ordinary banks, is affected, *ib.* 4147-4149——Further definition of the reserve of the Bank of England, that is, of the Banking Department; the bullion in the Issue Department has no sort of connexion with it, *ib.* 4197, 4198.

Sense in which it may be said that the note reserve of the Banking Department is dependent upon the bullion in the Issue Department, *Chapman* 4923-4929.

Account of the notes in the Banking Department as published weekly in the "Gazette," since the passing of the Act 7 & 8 Vict. c. 32, from 31st August 1844 to 25th December 1847, *App. p.* 94-99——Similar account for each week, from 1st January 1848 to 27th December 1856, *ib.* 100-113.

Account of the gold and silver coin in the Banking Department as published weekly in the "Gazette," since the passing of the Act 7 & 8 Vict. c. 32, from 31st August 1844 to 25th December 1847, *App. p.* 94-99——Similar account for each week, from 1st January 1848 to 27th December 1856, *ib.* 100-113.

Account of bank notes held in reserve by the Banking Department, from the last day of each week, from 7th September 1844 to 27th December 1856, *App. p.* 114-147.

See also *Circulation*, 1. 1. *Drains of Bullion and Monetary Pressures. Issue Department. Rate of Interest. Reserve of Bullion* (*Issue Department*). *Sales of Securities.*

Rest Account. Amount of the Rest Account on the 28th of February and the 31st of August in each year, from 1778 to 1847 inclusive, *App. p.* 90-92——Similar statement for each year, from 1848 to 1856, *ib.* 93.

Account of the Rest of the Banking Department, as published weekly in the "Gazette" since the passing of the Act 7 & 8 Vict. c. 32, from 31st August 1844 to 25th December 1847, *App. p.* 94-99——Similar account for each week, from 1st January 1848 to 27th December 1856, *ib.* 100-113.

Amount of the Rest Account of the Bank on the 28th February 1857, *App. p.* 233.

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Restriction upon Issue:

I. *Bank of England:*

1. Explanation and Approval of the present Limit upon Bank Issues.
2. Objection to the present Limit as being very injurious in time of Pressure.
3. Disapproval of any Legislative Restriction upon Issue.

II. *Country Banks:*

1. Objections to a Removal of the present Restriction.
2. Statements in favour of an Alteration of the Limit.

I. *Bank of England:*

1. Explanation and Approval of the present Limit upon Bank Issues:

Reason why the issue upon securities was limited to fourteen millions, *Weguelin* 95——With regard to the issue of 14,000,000*l.* upon securities when money is abundant, witness does not object to the provisions of the Act thereon, *ib.* 323-325——Further evidence in explanation and approval of the limit of 14,000,000*l.* as the amount issued upon security, *ib.* 586-615——Intention in fixing the limit at 14,000,000*l.* that three or four millions of active circulation should be represented by bullion, *ib.* 596, 597. 614——The discretion of the Bank as to issue was limited by the Act, though the Act has probably made no difference in the actual management on this point, *ib.* 879.

But for the provision of the law compelling the Bank to issue upon bullion when the notes are in excess of a certain quantity, the note reserve in the Bank would be altogether an indefinite quantity, *Hubbard* 2332-2338——Absence of limit by the Act to the amount of circulation; the public by bringing gold to the Bank may have issues to any amount, *ib.* 2351, 2352——Object and advantage of selecting 14,000,000 *l.* as the limit of issue upon credit, *ib.* 2686-2689.

Main provision of the Act that only a certain amount of the circulation of the Bank should be issued on securities, and that all the notes beyond such amount should be issued upon gold, *Norman* 2862, 2863. 3438-3441——Grounds upon which the limit of 14,000,000*l.* as the issue upon securities was arrived at, *ib.* 2864——Profit involved in the issue of notes, and consequent competition if there were no legislative restriction, *ib.* 3143-3150——Necessity of some restriction upon issues generally, *ib.* 3487-3515.

Paper notes ought to be preserved at their proper value by making them under all circumstances conform in amount to the coins which they represent, *Right Hon. Lord Overstone* 3648——Evidence in detail showing the evils which may result from the want of a restriction upon paper issues, *ib.* 3688, 3689. 3906-3918. 4973-4988——Witness is not prepared to recommend any alteration of the amount which the Bank can now issue upon securities, *ib.* 3690——Reference to and strong approval of the views expressed by the Under Secretary of the Treasury of the United States in reference to the principle to be observed in the issue of paper money, *ib.* 4193. 4216-4219.

Argument by Mr. J. G. Hubbard that the amount of fourteen millions was in the first instance rightly fixed, *App. p.* 11.

2. Objection to the present Limit as being very injurious in time of Pressure:

Way in which the issue of 14,000,000*l.* in notes on securities weakens the position of the Bank and impairs its power of affording relief when most required, *Alexander* 4259. 4270. 4313.

The distress which began in 1815 continued till about 1817, when, the currency being increased, there was a season of prosperity for a time, *Twells* 4455. 4456——On the passing of the Act of 1819, restricting the circulation, distress at once set in; evidence in condemnation generally of this Act, *ib.* 4457. 4465 *et seq.*

Distinction between the Acts of 1819 and of 1844, that the latter restricts the issues of country banks, and is more binding upon the Bank of England in regard to its issues, *Twells* 4506-4509——Witness, whilst approving of the Bank Restriction Act of 1797, sees no objection to a limit being placed upon the amount of notes in circulation, *ib.* 4539-4541——Mischief attendant generally upon the restrictions of the Act of 1844, and the severity of their operation when gold is leaving the country, *ib.* 4593-4598.

Considerable and natural anxiety on the part of money dealers and the public lest the Bank should not have it in their power to supply any needful assistance which might be required, *Chapman* 4896-4920——Natural anxiety in 1847 lest the restrictions of the Act should bring the country into a state of paralysis, *ib.* 4900. 4908——Defect of the Act in not providing against withdrawals of the circulation from various causes, *ib.* 4904. 4907. 4962, 4963——Inexpediency of the power of individual capitalists to withdraw 1,000,000*l.* or 2,000,000*l.* in notes from the circulation, *ib.* 4963-4968.

The restriction upon Bank of England issues had the effect of creating many failures in 1847, *Chapman* 5219——If the circulation had not been obtainable in 1847, the monetary world might have been driven to a state of barter, or to the creation of a circulating medium for themselves, *ib.* 5223. 5306-5308——Opinion that about 19,000,000*l.*

Report, 1857—*continued.*

Restriction upon Issue—continued.

I. *Bank of England*—continued.

2. Objection to the present Limit as being very injurious, &c.—*continued.*

in notes is absolutely necessary to be in the hands of the public, *Chapman* 5225. 5287——The apprehension in 1847 lest bank notes should not be obtainable largely added to the actual drain, *ib.* 5237, 5238.

Reasonable ground for apprehension of panic when the restricted circulation is contrasted with the immense amounts liable to be called for in prompt payment, *Chapman* 5284-5286. 5294——Great difficulty in obtaining money in October 1856, although the circulation in the hands of the public was unusually high, *ib.* 5287-5289——Scarcity of money at the present time, though there is nearly 20,000,000 *l.* out in notes, *ib.* 5334, 5335——Through a want of the circulating medium during a crisis, a perfectly solvent person might now be reduced to a condition of bankruptcy, *ib.* 5360-5364.

The present system has only one principle, namely, that of contractibility, without any expansibility, *Capps* 5456——Concurrence in Mr. Chapman's evidence as to the disastrous effect of sudden withdrawals of bullion upon the industry of the country, *ib.* 5502-5504. 5508.

3. Disapproval of any Legislative Restriction upon Issue:

Argument in favour of the removal of all legislative limit upon the issues of the Bank of England, *Newmarch* 1343-1354. 1541-1547——Disapproval of a certain amount of bullion being specially set aside as a guarantee for the circulation, *ib.* 1344-1347——Witness does not consider it desirable that the issues of the Bank should be matter for legislation, *ib.* 1393——Circumstances which render a limitation upon the Bank issues less objectionable at the present time than in 1844, *ib.* 1510-1512——The only rule which should exist in regard to the issue of bank notes is the demand of the public, *ib.* 1912, 1913.

The Act, by restricting the issues, prevents what would be the natural action of the Bank in time of pressure, *Mill* 2312.

II. *Country Banks:*

1. Objections to a Removal of the present Restrictions:

Disapproval of country banks being allowed to increase their issues upon securities, *Weguelin* 174——Impediments to English country banks issuing upon bullion, if empowered to do so, *ib.* 174-177——Non-objection in principle to a similar power in the English country banks, as in the Irish and Scotch banks, to issue upon bullion in excess of their fixed circulation, *ib.* 576-585——Contravention of the principle of the Act of 1844 if country banks were allowed to issue to any amount in proportion as they deposited Government securities, *ib.* 954——Doubt as to any advantage if the English country banks were put upon the same footing as the Scotch and Irish banks, and enabled to issue upon gold in excess of their limited circulation, *ib.* 997-1007.

An allowance to English country banks to issue notes against bullion in excess of their limit of circulation would simply be to give them an extension of issue, without their keeping any additional bullion reserve, *Hubbard* 2481-2484——Witness does not recommend that English country banks should be allowed to over-issue against bullion, but he sees no reason for making a distinction between them and the Scotch and Irish banks, *ib.* 2790-2795.

Country banks of issue should remain on their present footing, new banks of issue being prohibited, *Norman* 2945-2952——Objection to any interference with the country banks which should in any way increase their amount of issues, *ib.* 3037-3041——Further disapproval of a power in country banks to issue to any extent, provided they gave security for two-thirds and issued one-third upon gold, *ib.* 3542-3544.

Advantage in the limit placed by the Act upon the amount of country issues, *Right Hon. Lord Overstone* 3977. 3980, 3981.

2. Statements in favour of an Alteration of the Limit:

Approval of a removal of the restrictions imposed in 1844 and 1845 upon the circulation of country banks, *Newmarch* 1411-1413——There is in principle no reason why the banks in Scotland and Ireland should not, equally with English banks, be released from the restrictions now imposed upon the circulation, *ib.* 1417. 1517, 1518.

Belief that there is no necessity for the present restriction upon country issues, *Mill* 2043.

Memorial of the Huddersfield Banking Company and the West Riding Union Bank, praying to be placed on the same footing as the Scotch and Irish banks, as regards the issue of notes, *App. p.* 348.

Memorial of the Sheffield Banking Company, praying to be put on the same footing as Scotch and Irish banks, with regard to the issue of notes, *App. p.* 348. 357, 358.

Memorial

Report, 1857—*continued.*

Restriction upon Issue—continued.

II. *Country Banks*—continued.

2. Statement in favour of an Alteration of the Limit—*continued.*

Memorial of the Gloucestershire Banking Company, requesting to be allowed to issue notes beyond their specified limit, for a sum equal to the gold and silver held by them, *App. p.* 349, 350.

Memorial of private banks of issue in the counties of Belfast, Hertford, Buckingham, and Essex, requesting to be put upon the same footing as the Scotch and Irish banks in regard to issue, *App. p.* 351.

Petition of bankers in the counties of Gloucester, Monmouth, York, and Derby, praying to be put on the same footing as the Scotch and Irish banks in regard to the issue of their own notes, *App. p.* 356–358.

Petition of bankers in the city of Coventry, praying to be placed on the same footing as the Scotch and Irish banks, *App. p.* 359, 360.

Petition of bankers in the counties of Lincoln and Northampton, praying to be placed on the same footing as the Scotch and Irish banks, *App. p.* 360, 361.

See also *Act 7 & 8 Vict. c.* 32. *Act 8 & 9 Vict. c.* 38. *Circulation*, IV. 4, 5, 6. *Convertibility. Discretionary Issue. Drains of Bullion and Monetary Pressures. Extension of Issue. Hoarding. M'Culloch, Mr. Reserve of Bullion (Issue Department). Trade and Commerce. United States.*

Resumption of Cash Payments. Except in 1817, when a partial payment of notes in gold took place, the actual resumption of cash payments did not fall upon the Bank till about 1821, *Norman* 3370–3372——Want of proper regulations subsequently to 1819, when cash payments were resumed and the note declared to be convertible, *Right Hon. Lord Overstone* 3648——Reference to the resumption of cash payments in 1819, and to the Act then passed by Sir Robert Peel as having restored the money of the country to its honest value, *ib.* 4181——Witness cannot understand upon what principle those who are favourable to the Act of 1819, repudiate the Act of 1844, *ib.*

Satisfactory state of things with few exceptions from 1800 till 1815, when the Bank was required to take steps for resuming cash payments, *Twells* 4439–4454——Partial resumption of cash payments in 1817, by paying three millions of 1 *l.* notes in gold, which notes being dated before 1817 were convertible; the notes subsequent to 1817 were not convertible, *ib.* 4458–4466.

Robertson, James. Letter from Mr. Robertson, manager of the Union Bank of Scotland, to Sir G. C. Lewis, dated the 14th February 1857, offering strong objections to the Acts 8 & 9 Vict. c. 38, and 7 & 8 Vict. c. 113, and suggesting certain amendments therein, *App. p.* 337, 338.

Royal Bank of Scotland. Approval by Mr. J. Wright, on the part of the Royal Bank of Scotland, of the principle of the Act 8 & 9 Vict. c. 35, *App. p.* 329, 330.

Particulars as to the amount of capital, &c., and of the authorised and actual circulation in April 1857, *App. p.* 333.

Royal British Bank. Extract from the London Gazette of the 18th February 1853, being a monthly statement of the liabilities and assets of the Royal British Bank, *App. p.* 334.

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Sale of Securities. With reference to the sale of public securities by the Bank, it does not practically alter the state of the reserve in time of pressure, *Weguelin* 296–299——Way in which the sale of securities by the Bank in times of pressure assists the commercial public, though it may not strengthen the Bank reserve, *ib.* 521–525——Great injury, without corresponding benefit, in selling public securities at very low prices in time of panic, *ib.* 525, 526——The forced sale of public securities would be entirely nugatory as regards a contraction of the circulation, *ib.* 748–756.

The effect of the sale of securities by the Bank in time of pressure would be the same as that of a refusal to make advances, *Mill* 2076. 2151, 2152.

Power of the Bank by a sale of securities slightly to contract the circulation; the effect of such proceeding chiefly falls on the deposits, *Hubbard* 2596–2606——In selling securities the object of the Bank is to strengthen its reserve, and the object is doubtless to some extent attained thereby, *ib.* 2765–2772.

Return of all purchases and sales of public stocks or Exchequer bills severally made by the Bank of England in each week from the 31st January 1848 to the 2d May 1857, and the rates of such purchases and sales, *App. p.* 242–277.

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Salmond, Robert. Letter from Mr. Salmond, manager of the City of Glasgow Bank, to Sir G. C. Lewis, dated the 19th February 1857, in disapproval of the Act 7 & 8 Vict. c. 38, and suggesting certain amendments therein, *App. p.* 343.

Scotland. Reference to the Act of 1845, as requiring the Scotch and Irish banks to deposit a certain amount of coin for any issue of notes beyond the amount authorised by law, *Weguelin* 42–45——General disapproval of the Scotch and Irish Acts on account of the limit upon circulation, *Mill* 2057–2059.

A permission to Scotch banks to over issue against Bank of England notes or securites would in all probability be perfectly safe, but it would be an addition to their right of credit issue, and an abrogation of the present law, *Hubbard* 2486–2490—— Respect in which the parallel sought to be established between the Scotch and Irish banks and the Bank of England in regard to their issue does not hold good, *ib.* 2486–2490—— If the Bank of England note were a legal tender in Scotland and Ireland, the simplest thing for the Scotch and Irish banks to do would be to issue their own notes as far as they can, and then to issue Bank of England notes, *ib.* 2494–2496. 2513, 2514 ——Disadvantages of the private bank circulation of Scotland and Ireland; less value of the notes when circulated in England, *ib.* 2498–2502.

Consideration of the over issue of Scotch banks as based upon bullion; a limitation upon the credit issue would probably be a better plan, *Hubbard* 2722–2727——Convenience amounting to necessity under which the Scotch and Irish banks over issue upon bullion, which they are not required to deposit, *ib.* 2786–2788.

Although witness does not like private issues at all, he is on the whole satisfied with the present system of issue in Scotland, *Norman* 3545, 3546.

As regards the Scotch banks, they invest largely in the funds, and have always borne a high reputation for credit, *Chapman* 5150–5154.

Return of the circulation of chartered, private, and joint-stock banks in Scotland, in each month from September 1833 to April 1857, *App. p.* 148–152.

Return showing the authorised issues of the notes of the banks in Scotland, the actual amounts issued, and the amount of bullion held by these banks in each week since the passing of the Acts of the 7 & 8 Vict. c. 32, and 8 & 9 Vict. c. 37 and 38, to the 9th May 1857, *App. p.* 182–203.

Account of the aggregate weekly circulation of the notes of banks of issue in Scotland, distinguishing those of 5*l.* and upwards, and those under 5*l.*, and showing the total amount, with the amount of bullion held, from the 13th December 1845 to the 9th May 1857, *App. p.* 204–213.

Account of the aggregate weekly circulation of chartered, private, and joint-stock banks in Scotland, from the 19th October 1844 to the 9th May 1857, *App. p.* 214–232.

Return of the number of banks of issue and of non-issue that have been established in Scotland in each year from 1819 to the present time, distinguishing joint-stock banks from private banks; of the number that have relinquished business in each year, again distinguishing banks of issue and non-issue, private banks, and joint-stock banks; and the number which have relinquished business in consequence of failure and other causes, *App. p.* 235——Return of the number of banks that existed in Scotland in the years 1819, 1830, 1844, and 1857 respectively, with the number of branches belonging to each, *ib.* 236——Account of the number of banks of issue in Scotland at the time of the passing of the Act of 1845, and whose issues were fixed by that Act; also the number which still continue in existence as banks of issue, and showing the number that have ceased, *ib.* 238.

Statement by Mr. Blair, manager of the Bank of Scotland, that the 10th section of the Act of 1844, relative to banks of issue, has produced an effect extremely unfavourable to the property of Scotland, *App. p.* 328.

Suggestion by Mr. J. Wright, on the part of the Royal Bank of Scotland, that there be an enlargement of the amount of circulation assigned to the Scotch banks, *App. p.* 329——Suggestion by Mr. J. Wright that the period for striking the averages in Scotland be extended to eight weeks, *ib.*

Disapproval by the Commercial Bank of Scotland of any relaxation of the Act of 1845, which would admit of excessive competition in Scotch banking, *App. p.* 330.

Recommendation by the Clydesdale Banking Company that each bank in Scotland should be bound to hold a certain amount of gold and convertible securities in such proportions to the gross amount of its circulation as Parliament may determine, *App. p.* 331——Recommendation by the Clydesdale Banking Company that the gold and silver coins held by the Scotch banks at their several agencies throughout the country should be taken into account in making the weekly returns of the stock of bullion, *ib.*

Statement submitted to the Chancellor of the Exchequer by the undermentioned unincorporated banks or banking companies in Scotland; viz. the Union Bank of Scotland, the

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Scotland—continued.

the Clydesdale Banking Company, the Edinburgh and Glasgow Bank, and the City of Glasgow Bank, *App. p.* 332, 333——These banks represent the very serious disadvantages which, from not being incorporated, it is by the Act of 1844, extended to Scotland in 1846, made to be under in comparison with other Scotch banks which had obtained charters of incorporation before the passing of these Acts; and from not being allowed to obtain incorporation except by subjecting itself to disabilities from which other banks are exempt, *ib.*——Remarks in the foregoing statement on the position and transactions respectively of the chartered and unchartered banks; Appendix giving full particulars thereon, *ib.*

Amendments suggested on the part of the Edinburgh and Glasgow Bank in regard to the proportion of gold against issues, *App. p.* 338, 339.

Statements in letters of Mr. J. Taylor, on the part of the Western Bank of Scotland, in favour of a permission to the Scotch banks to hold Government securities instead of gold, for at least a certain portion of the excess of their actual over their authorised circulation, *App. p.* 339-342.

Letter dated 12th December 1855, from the managers of the Glasgow banks to Sir G. C. Lewis, suggesting that the Scotch banks be allowed to hold Government securities in lieu of gold, for the excess of circulation, or for a certain portion of it, *App. p.* 342, 343.

Suggestion on the part of the Glasgow and West of Scotland Guardian Society for the Protection of Trade, with a view to increased issues by the Scotch banks, *App. p.* 359.

Petition of the commercial community at Glasgow complaining of the present restrictions upon banking in Scotland, *App. p.* 361, 362.

See also *Act* 7 & 8 *Vict. c.* 113. *Act* 8 & 9 *Vict. c.* 38. *Country Banks*, III. *One Pound Notes.* *Uniform Currency.*

Securities (*Bank of England*). The Bank have always held some railway securities, *Weguelin* 260——An available and sufficient amount is always held in Government securities, *ib.* 261——The Bank holds no foreign securities, *ib.* 527-529.

The Bank should not be required to keep any amount of securities specifically pledged against any particular part of their liability, *Newmarch* 1370——The securities of the Bank are not necessarily decreased by a high rate of interest, nor increased by a low rate, *Mill* 2149-2152——Suggestion that some arrangement be made, even though it involve an expense to Government, whereby the Bank should keep the whole of its capital subject to short transactions; illustration hereon of the evil of long investments of the Bank capital, *Alexander* 4277-4282.

Account of the amount of all securities, distinguishing public and private securities held by the Bank on the 28th February and the 31st August in each year, from 1778 to 1847 inclusive, *App. p.* 90-92——Similar account for each year from 1848 to 1856, *ib.* 93.

Account of the securities of the Bank as published weekly in the "Gazette" since the passing of the Act 7 & 8 Vict. c. 32, from the 31st August 1844 to the 25th December 1847, *App. p.* 94-99——Similar account for each week from the 1st January 1848 to the 27th December 1856, *ib.* 100-113.

Account of the total amount of Government securities and other securities held by the Bank from the last day of each week from the 7th September 1844 to the 27th December 1856, *App. p.* 136-147.

Account of the amount of all securities held by the Bank on the 28th of February 1857, *App. p.* 233.

Return of all purchases and sales of public stocks or Exchequer bills severally made by the Bank, in each week from the 21st January 1848 to the 2d May 1857, and the rates of such purchases and sales, *App. p.* 242-277.

Return of all loans to canal, dock, or other such public companies, or on the deposit of the securities of such companies, stating the rate of interest charged on each call or loan, from the 1st January 1832 to 1847, *App. p.* 286——Similar return from 1848 to 1857, *ib.*

Return of all railroad debentures purchased by the Bank, from the period of the first transaction of this description to the 10th August 1846, *App. p.* 287——Similar return for the years 1848 to 1856, *ib.* 287, 288.

Securities (*Country Banks*). Advantage if the country banks were required to deposit securities against their authorised issues, *Weguelin* 133. 170. 178, 179. 181-183. 203-213——Absence of precaution or security under the Act of 1844 in regard to the circulation of private and joint stock banks, or nearly one-half of the whole circulation of the United Kingdom, *ib.* 892-896. 914-918. 929. 946-954——There is no reason why private and joint-stock

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joint-stock banks of issue should not give security as well as the Bank of England, *Weguelin* 946–953.

Further consideration of the proposition that country banks should be required to lodge with the Government public stock as a security for the circulation, *Weguelin* 967 *et seq.* ——Witness would like to see a portion of the country circulation represented by gold; or Bank of England notes would doubtless fulfil the same object, *ib.* 967–977.

Objections to requiring security from country issuers, *Newmarch* 1413–1416. 1528–1532——Although securities given by country bankers would consist of investments bearing interest, it would nevertheless be injurious to the banks of circulation to give such securities, *ib.* 1561–1580——Doubt as to there existing any necessity for requiring securities from country banks, *Mill* 2044. 2071, 2072——Way in which the proposition (not advocated by witness) that country banks should deposit public securities against their issues might be carried into practice, *ib.* 2273–2282.

Absence of proper security for the payment of country notes, *Hubbard* 2433. 2434——Security for country issues (if they be continued) would be desirable, but would most likely be objected to on the part of the bankers, *ib.* 2447——Doubt as to its being any inconvenience to country banks to keep a large amount of securities as against their circulation, *ib.* 2491–2493——Witness does not recommend that country banks should be required to give security for their issues, though in some instances of failure it would have been an advantage, *ib.* 2805–2807. 2812–2814——The giving of security by country banks would be a very complicated and unpalatable process, *ib.* 2812–2814.

Defect of the Act of 1844 in not prescribing that security shall be taken for the country issues, *Norman* 3322–3357——Witness has always held the doctrine that no bank should be allowed to issue without giving security, *ib.* 3325. 3330. 3356, 3357.

Statement with reference to the Act of 1844 not having required security in the case of the country issues; question as to this being a defect in the Act, *Right Hon. Lord Overstone* 3680. 3687. 3976–3980. 3983–3986.

Country bank notes not being a legal tender, witness does not recommend that such notes should, as well as Bank of England notes, be issued only on gold, *Alexander* 4309–4313. 4318, 4319——Doubt as to the expediency of requiring country banks to give security for their issues, *Twells* 4619–4623.

Recommendation by Mr. Neave that all banks of issue should deposit security, as the Bank of England does, with permission to compound for their issues, *App. p.* 5.

Suggestion by Mr. Norman that security be required from all issuing banks, *App. p.* 15.

Suggestion by Mr. Latham, with a view to country issuers lodging securities to the amount of their issues; failing to do so, they should adopt the alternative of compounding with the Bank of England, *App. p.* 17.

Suggestion by Mr. B. B. Greene that banks of issue should deposit Government securities for the authorised amount of their issues, *App. p.* 19.

Remarks by Mr. Thomson Hankey in disapproval of the issues by country banks without the necessity of any security for the payment of the notes, *App. p.* 23.

Separation of Issue and Banking Departments:

1. *Perfect Character of the Separation.*
2. *Objection to the Separation; Evils resulting therefrom.*
3. *Evidence strongly in approval of the Separation.*

1. *Perfect Character of the Separation:*

There is a legal and virtual distinction between the Issue and Banking Departments, though it may be called merely a distinction of accounts, *Weguelin* 164, 165. 775–777——The Bank of England are merely administrators of the Issue Department, *Neave* 1144, 1145——Practical and legal distinction between the Issue and Banking Departments; obligations of the Bank to abide thereby, *Mill* 2033, 2034——Perfect character of the separation, though the two departments are managed by the same body, *Hubbard* 2326——Purely mechanical character of the operations of the Issue Department, *ib.* 2340. 2387——The Issue Department is not subject to any control by the Banking Department, its function being merely to exchange notes for gold, *Norman*, 3442, 3443.

Definition of the several objects of the separation; they have been completely effected, *Right Hon. Lord Overstone* 3646——The term "Bank" should not be associated with the Issue Department at all; the Bank, in fact, have not any power whatever over the issues, and are merely the mechanical agents of Government in the matter, *ib.* 3664–3671. 3953–3959——The Bank merely contracts to do the business of the Issue Department on behalf of the state, being allowed certain profits, and incurring certain risks, *ib.* 3954–3959——The Issue Department is now as distinct from the Bank of England as is necessary

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Separation of Issue and Banking Departments—continued.

1. *Perfect Character of the Separation*—continued.

necessary for all purposes which have reference to the principles affecting the regulations of the exchanges, *Right Hon. Lord Overstone* 3969.

Phraseology of portions of the Act adverted to with reference to witness's view that the Bank of England has not, save mechanically, any connexion with the Issue Department; the Act clearly provides that the department shall be conducted altogether irrespectively of the banking business, *Right Hon. Lord Overstone* 4015-4018——In the Issue Department the Bank have no discretionary action, *ib.* 4015, 4016. 4155, 4156——Witness cannot understand that the term "Bank of England" includes the Issue Department, *ib.* 4018.

Further evidence in support of the statement that the Issue Department belongs to the state, and has not, save mechanically, any connexion with the Bank of England, *Right Hon. Lord Overstone* 4155-4162——The accidental form in which the Bank are paid for the conduct of the issues does not affect the question of the distinct separation of the Issue and Banking Departments, *ib.* 4157-4162——The bullion is not in the Bank of England at all, but in the Issue Department, *ib.* 4168, 4169.

2. *Objection to the Separation; Evils resulting therefrom:*

As regards the separation of the Issue and Banking Departments, there was scientifically no sufficient reason for it, *Newmarch* 1355, 1356——The cutting in two the reserve of bullion, as a consequence of the separation of the departments, forms one of witness's main objections to the Act, *ib.* 1356 *et seq.*——In practice the separation has operated mischievously, as producing undue fluctuations in the rate of interest, *ib.* 1356-1360. 1363-1367. 1431-1440. 1463-1471.

Witness further argues that the Act of 1844, by the separation of the Issue and Banking Departments, and the cutting in two of the bullion reserve, has debarred the public from the advantage of the whole of the resources of the Bank, *Newmarch* 1541-1547. 1855-1857. 1869-1878——An amalgamation of the Banking and Issue Departments, as before 1844, would be a consummation of witness's views, *ib.* 1877.

Consideration of the effects of the separation; peculiarly prejudicial course of action necessarily involved therein, *Mill* 2026 *et seq.*——Necessity for the Bank, through the separation of the departments, to keep as large a reserve in each as previously sufficed for both, *ib.* 2026. 2033, 2034. 2073. 2288-2291——If in time of extreme pressure the Issue Department could assist the Banking Department, there need not be the same contraction of accommodation, which is now so injurious, *ib.* 2102-2105. 2120, 2121——The inexpediency of the separation of the departments was illustrated in 1847, when the Bank was in danger of stopping payment, although there was between 6,000,000 *l.* and 7,000,000 *l.* of bullion in its coffers, *ib.* 2187-2193.

Evil effect generally of the restriction upon the Bank as regards the use of all the bullion in the Issue Department, *Alexander* 4348-4355——In speaking of the amount of reserve of the Bank before 1844 and subsequently thereto, it should be borne in mind that, according to Act, the reserve is not now entirely available, *ib.* 4351-4356.

3. *Evidence strongly in approval of the Separation:*

The convertibility of the note being provided for by the Act, and the circulation taking care of itself, witness fully approves of the attention of the Bank direction being confined to the Banking Department, and of the present separation from the Issue Department, *Weguelin* 1287 *et seq.*

The separation between the Issue and Banking Departments has been, both in scientific and in a practical view, most important and most beneficial, *Hubbard* 2324 *et seq.*——No inconvenience whatever can arise from the bullion being as it were cut in two by the separation of the departments, *ib.* 2327——The existence separately of the Issue Department is ancillary to the principle of the limitation of the credit issues, *ib.* 2337, 2338——Simple and most useful office performed by the Issue Department in placing the currency upon a solid basis, *ib.* 2340.

The separation of departments has caused the Bank to look more accurately and closely to its position as bankers, but has had no influence whatever upon the natural laws which regulate the value of money or the rate of interest, *Hubbard* 2365, 2366. 2628——The Act has not in the slightest degree diminished either the power or the disposition of the Bank to accommodate the public; practice previously to and since 1844, adverted to hereon, *ib.* 2380-2382——Argument showing the fallacy of Mr. Mill's theory, that, in consequence of the separation of the departments, a drain of 3,000,000 *l.* has a double effect, and is tantamount to a drain of 6,000,000 *l.*, *ib.* 2761, 2762.

Approval of the separation of the Issue and the Banking Departments by the Act of 1844, on the ground that it is mischievous to place the issue of paper money in the hands of persons who carry on the ordinary banking business, *Norman* 2888-2893——Denial that the separation of the Banking and Issue Departments has had any effect in regard to the fluctuations in the rate of discount, *ib.* 2964. 2968-2977. 3005-3007——

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Separation of Issue and Banking Departments—continued.

3. *Evidence strongly in approval of the Separation*—continued.

Absence of any diminution in the power of the Bank to accommodate the public since the Act of 1844, *Norman* 2979-2981.

Further statement as to the separation of the departments, having reference to the difference between the business of issue and of ordinary banking, *Norman* 3106-3112——The separation of the departments is an essential part of the system, as necessarily leading to the fact that the issues of bank notes vary in all cases exactly as bullion would vary, *ib.* 3451-3453.

The separation of the Banking and Issue Departments is the main auxiliary provision for carrying out the principle of the Act, *Right Hon. Lord Overstone*, 3646——Proposition that the supply of the current coin should be entirely separated from banking business, *ib.* 3648——The assertion that the separation of the departments has caused more frequent and violent fluctuations in the rate of interest is not in any way supported by fact, *ib.* 3653. 3661, 3662.

Essential advantages of the separation of the departments further adverted to, *Right Hon. Lord Overstone* 3961-3968——Outline of the functions and working of the Issue Department, *ib.* 4143-4145——The separation of the Issue and Banking Departments is highly desirable, *Chapman* 4955, 4956.

See also *Banking Department.* *Reserve of Bullion* (*Issue Department*), 7.

Sharples, Tuke, Lucas & Co. (*Hitchin*). Memorial of these bankers, suggesting that the time permitted for taking the averages of the circulation be extended from one month to six months, and the year divided into two periods of six months each; and requesting to be put upon the same footing as the Scotch and Irish banks in regard to issue, *App. p.* 351.

Sheffield Banks. Petition of the Sheffield and Hallamshire Banking Company, of the Sheffield Banking Company, and of the Sheffield and Rotherham Banking Company, praying for an extension of the period for taking the averages of the circulation, and to be put on the same footing as Scotch and Irish Banks, with regard to the issue of notes, *App. p.* 348. 357, 358.

Silver. Estimate that the total import of silver into Europe in the years 1851-57 has been 25,820,000*l.*, *Weguelin* 15. 17——Estimate export of 36,530,000*l.* from Europe to the East in the years 1851-57, *ib.* 17——Demand for silver in the East in consequence of the failure of the silk crop, *ib.* 21——Great increase in the coinage of silver adverted to, *ib.* 54.

Evidence relative to the continued efflux of silver to India and China, to the extent of about 6,000,000*l.* annually; different causes, *Mill* 2082-2101. 2260-2268——The remission of silver to the East is probably partly owing to the change in the relative value of gold and silver since the gold discoveries, *ib.* 2083. 2097. 2262-2265——Increased importation of Eastern products is one reason of the continued remittance of silver to the East, *ib.* 2084. 2086-2094——Practice of hoarding in India adverted to in connection with the constant efflux of silver thither, *ib.* 2084, 2085. 2101——The efflux of silver is partly owing to the requirements of the Indian railways, *ib.* 2095-2099——A great part of the silver for the East has gone from France, *ib.* 2267, 2268——The probable effect of a continuance of the efflux of silver to the East will be to make gold the standard in countries whose standard is now silver, *ib.* 2269, 2270.

Information relative to the long-continued drain of silver to the East; causes of the drain, *Alexander* 4334-4344——The Chinese civil war has been partly the cause of the drain, *ib.* 4334. 4336. 4340-4342——The great loss of the silk worm on the Continent has also partly caused the drain, *ib.* 4334-4344.

Statement by Mr. J. G. Hubbard in disapproval of power in the Bank to issue more than one-fourth of its notes on silver, *App. p.* 13.

Monthly statement of bullion bought and sold by the Bank of England, distinguishing gold from silver bullion, from the 1st January 1832 to the 31st December 1847, *App. p.* 82-85——Similar statement for each month from 1 January 1848 to 31 December 1856, *ib.* 86, 87.

Table of the monthly gain or loss of silver coin arising out of the action of the public on the stock in the Bank of England, *App. p.* 292.

Account of the silver coin held by the Bank of England, together with the receipts from the Mint, and the excess of payments to or of receipts from the public; also the total amount coined in each month of each of the years 1845-56, *App. p.* 292-298——Summary of the total amount of silver received from the Mint by the Bank in each of the years 1845-56, *ib.* 298——Summary of the total amount of worn silver sent to the Mint in each of the years 1845-46, *ib.*——Summary of excess of payments to the public in each of the years 1845-56, *ib.*——Summary of excess of receipts from the public in each of the years 1845-56, *ib.*——Summary of the total coinage of silver in each of the years 1845-56, *ib.*

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Smith, Thomas Charles. Letter from Mr. Smith to the Governor of the Bank of England, dated the 7th October 1856, in approval of the Acts of 1844 and 1845, *App. p.* 9.

South Hants Bank. Petition from this bank praying that compensation be continued for their relinquishment of issue, *App. p.* 352.

Speculation. A low rate of interest is not the cause of speculation, but is an index of the large amount of unemployed capital which leads to speculation, *Weguelin* 252. 271—— If when the reserve was unusually large, as in 1845-46, the Bank had kept the rate of interest at four per cent., it would not have had much or any effect in checking speculation, *ib.* 269-271——Tendency of speculation or an expansion of trade to increase the circulation, but not to any material extent, *ib.* 959 *et seq.*——Encouragement of speculation by advances of capital, but not by increase of circulation, *ib.* 995. 1011 *et seq.*——Objection to speculation being supported upon an increased credit circulation, rather than an accumulation of capital, *ib.* 1311. 1314, 1315.

Increased employment of capital, and at lower terms, in the event of reckless advances by competing banks, *Newmarch* 1616-1622. 1635-1639——Equal tendency of banks of non-issue as of banks of issue to promote speculation, as shown by the operation of the London banks during the speculation of 1825, *ib.* 1639-1646——Effect of over issues as creating undue speculation, *Mill* 2313.

Opinion that the object of the Act of 1844 was partly to secure the value of the currency, and partly to check over speculation and over credit, *Alexander* 4255, 4256 ——Incentive to speculation, and bar to legitimate commerce and enterprise consequent upon the oscillations of late years in the value of money, and the rate of interest, *Twells* 4603-4617.

Stamford, Spalding, and Boston Banking Company. Petition signed on the part of this bank, praying for certain alterations in the Act of 1844, *App. p.* 360, 361.

Stamp Duty. Payment by the Bank of 60,000 *l.* a year as commutation of stamp duty, *Weguelin* 139.

Return of the amount received for composition for stamps in Great Britain and Ireland, in each year from 1833 to 1856, *App. p.* 309.

Return of the stamp duty on bills of exchange of each denomination in England, Scotland, Ireland, and the United Kingdom, distinguishing the principal commercial and manufacturing districts in the former country, from 1844 to 1856, *App. p.* 310-323.

Standard of Value. Variation in the exchangeable value of gold, as a commodity, according to the supply and demand, *Newmarch* 1978-1992——The objection to gold as a measure of value is, that it is constantly varying, *Twells* 4685. 4707, 4708.

Unsoundness of the principles of the Acts of 1819 and 1844, that the pound sterling ought to be at all times a fixed and unvarying weight of gold, *Capps* 5420, 5421. 5441-5445. 5461-5465. 5473-5477——Gold is not the natural standard of value, but a convenient measure of value only, *ib.* 5445——Argument that corn or labour, rather than gold, is the real standard of value, *ib.* 5461-5465. 5473, 5474——Importance of gold or the measure of value continuing of the same purchasing power, *ib.* 5473-5481.

Suspension of Specie Payments. A suspension of payment, which is a greater evil than inconvertibility, is much more possible under the Act than it was before, *Mill* 2287—— Whatever may be the extent of misconduct or mismanagement by bankers or by the mercantile community, the maintenance of specie payments can never be endangered under the Act of 1844, *Right Hon. Lord Overstone* 3994——A temporary suspension of specie payments would be a less evil than the distress consequent on a want of the circulating medium, *Chapman* 5338-5340.

See also *Convertibility. Drains of Bullion and Monetary Pressures*, I. II.

Swansea Branch (*Bank of England*). Accounts of the average circulation of twenty-one days' and seven days' bills, in each year from 1832 to 1847, *App. p.* 24——Account of the average circulation of seven days' and other bills, in each year from 1848 to 1856, *ib.* 25.

Account of the average circulation of branch bank notes in each year, from 1832 to 1847, both inclusive, *App. p.* 26——Similar account for each year, from 1848 to 1856, *ib.* 27.

Weekly statement of the circulation of twenty-one and seven days' bills, during the year 1847, *App. p.* 28, 29——Similar statement for the year 1856, *ib.* 30, 31.

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Taylor, John. Letter from Mr. Taylor, manager of the Western Bank of Scotland, to Sir G. C. Lewis, dated the 14th February 1857, in strong disapproval of the Act 7 & 8 Vict. c. 38, and suggesting certain amendments therein, *App. p.* 339, 340.

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Letters, dated respectively the 27th April 1854 and the 8th May 1854, from Mr. Taylor to Mr. Gladstone (then Chancellor of the Exchequer), suggesting important alterations in the Act of 1845; more especially that the Scotch banks might be allowed to issue on Government securities beyond the authorised amount, *App. p.* 340–342.

Term of Bills. Witness looks more to a restraint upon the term of bills than upon the direct rate of interest as a means of guarding the bullion, *Weguelin* 311–316.

As regards the protection of the bullion, the Bank look upon a high rate of interest, and a limitation of the term of the bills, as simultaneous and concurrent measures, but they mainly adopt the former restriction, *Neave* 327.

In protecting the reserve the Bank both raise the rate of interest and restrict the terms of loans, the latter being preferred by witness, *Weguelin* 504–510——Advances made by the Bank for six weeks on six months' bills, *ib.* 534–536——As a means of correcting adverse exchanges witness further advocates a restriction of the terms of loans rather than an advance in the rate of interest, *ib.* 556–565. 1201, 1202. 1234–1236. 1261–1266——Though a restriction upon the term of bills may operate harshly upon particular classes, the hardship is one that necessarily follows the course of events, and is salutary in its results, *ib.* 1261–1266——On various occasions of pressure the Court of Directors have adopted the practice of restricting the term of bills, *ib.* 1265——In 1840 the reduction to sixty days of the term of bills discounted by the Bank had the effect of righting the foreign exchanges, though other measures had failed, *ib.* 1265, 1266.

A limit upon the terms of bills discounted by the Bank has at times a more severe effect than a rise in the rate of interest, *Newmarch* 1481——Bills would probably be drawn at the usance required by the Bank, if capital could not otherwise be raised, *ib.* 1482–1485.

Disapproval of a restriction upon the date of bills discounted by the Bank as being an unequal and arbitrary mode of correcting the exchanges, *Hubbard* 2569. 2574–2577——In isolated cases only has the Bank refused to discount bills having more than sixty days to run, *ib.* 2846, 2847.

Thornbury Bank (*Gloucestershire*). Petition of this bank (issuers of their own notes), praying for certain alterations in the Act of 1844, *App. p.* 356.

Tooke, Mr. Witness has been associated with Mr. Tooke in the preparation of the latest volumes of his work on prices, and concurs generally with the views expressed by Mr. Tooke, *Newmarch* 1339–1341. 1368–1411.

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Quotation of the views of Mr. Tooke with reference to the pressures in 1783 and 1795, *Right Hon. Lord Overstone* 4176——Also with reference to the crisis in 1797, *ib.* 4178——Sound views expressed by Mr. Tooke in declaring his approval of the Act of 1819, *ib.* 4181.

See also *Reserve of Bullion* (*Issue Department*), 5. 6.

Trade and Commerce. Beyond the regulation of the money market the Bank does not seek to interfere with the course of trade, *Weguelin* 546——Probable effect upon trade if the Bank were to force an additional issue of 5,000,000*l.* by lowering the rate of discount, *ib.* 1316–1329.

Witness is quite satisfied that the Act has not operated prejudicially to the mercantile community, *Hubbard* 2774–2777——The Bank have discounted 25,000,000*l.* in one year without any bad debts, *ib.*

Commercial progress and national prosperity at the present time under the operation of the Act, *Right Hon. Lord Overstone* 3648. 4189. 4222–4226. 4234–4236——Argument that oscillations in the rate of interest are in no way injurious to the commerce of the country, *ib.* 3722 *et seq.* 3815–3817. 3847——Absence of any intimate connexion between an increased reserve of bullion and a decline in the prosperity of trade as well as in the rate of interest, *ib.* 3722–3735.

With reference to an answer given by witness before the Committee in 1848 on Commercial Distress, to the effect that the commerce of the country would continue to prosper notwithstanding fluctuations in the rate of interest, he fully abides by that answer at the present time, *Right Hon. Lord Overstone* 3843, 3844——Further reference to the slight extent to which profits in trade are affected by high rates of interest, *ib.* 3859–

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3859-3863——Advantage to persons trading with their own capital, or only partly with their own capital, when the rate of interest is high, *Right Hon. Lord Overstone*, 3864-3873.

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Respect in which the restrictions of the Act may be said to check legitimate trade and enterprise, *Alexander* 4357-4359.

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Much less steadiness in trade than when the rate of discount continued uniform, *Twells* 4605. 4617——The present system and its fluctuations may well be acceptable to money dealers but not to commercial men, *ib.* 4612-4616. 4649-4654——Witness's system of inconvertible notes would be better for trade, but worse for the banker and the money dealer, *ib.* 4721——Further reference to the distress at different periods subsequently to 1819 as having arisen from, at one time, a too violent contraction of the currency, and at other times, from too large an issue of convertible paper, *ib.* 4769-4780.

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Unprofitable nature of trade at the present time; case in illustration, 4493-4499——As regards the panic of 1847, it was caused by the drain of bullion, the currency being based upon bullion, 4501-4504——Satisfactory operation of the Act of 1844, so far as the Bank of England are concerned, 4505——Distinction between the Acts of 1819 and of 1844, that the latter restricts the issues of country banks, and is more binding upon the Bank of England in regard to its issues, 4506-4509——Failure of the Act of 1844 in

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Witness, whilst approving of the Bank Restriction Act of 1797, sees no objection to a limit being placed upon the amount of notes in circulation, 4539-4541——As an improvement upon the issue of 14,000,000 *l.* in notes payable on demand, witness recommends the issue of 14,000,000 *l.*, or rather of 20,000,000 *l.* in notes, promising to be receivable by Government in aid of taxes, such notes to be in fact legal tender notes, but not convertible into gold, 4541 *et seq.*

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Union Bank of Scotland. This bank represents the very serious disadvantages which, from not being incorporated, it is by the Act of 1844, extended to Scotland by Act in 1846, made to lie under in comparison with other Scotch banks which had obtained charters of incorporation before the passing of these Acts, and from not being allowed to obtain incorporation except by subjecting itself to disabilities from which other banks are exempt, *App. p.* 332, 333.

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[Fourth Examination.]—(*Mr. Weguelin.*) Further reference to the absence of precaution or security under the Act of 1844 in regard to the circulation of private and joint stock banks, or nearly one-half of the whole circulation of the United Kingdom, 914-918. 929. 946-954——Tendency of the Act to diminish the number of private banks, 919——Further consideration of the question as to the Act having arrested the progress of the absorption of private banks by joint stock banks and prevented an increase in the circulation of the latter, 920, 921. 929-935.

(*Messrs. Weguelin and Neave.*)—Substitution by Bank of England notes to the extent of two-thirds of the lapsed issue of private banks further adverted to, 922-924——(*Mr. Weguelin.*) Witness cannot trace any increase in the active circulation of the Bank of England notes consequent upon the permission to issue to the extent of two-thirds of the lapsed circulation; the substitution in fact has been imperfect, 925-928——Further reference to the slight extent to which country issuers have come under the compensation clause; reasons for the comparative inoperativeness of this clause, 936-939. 944.

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Remarks on the immense decrease of bullion in the Bank between August 1823 and August 1825, owing to a foreign drain, 1015-1034——In 1825 the Bank had not power to raise the rate of discount beyond 5 per cent. as a means of checking the efflux of bullion, 1025, 1026——(*Mr. Neave.*) In 1825 the gold went unobserved out of the country, there having been no proper record of the reserve at the time, 1034, 1035.

(*Mr. Weguelin.*) Probability of the circulation of country banks having decreased between

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between 1819 and 1824; 1039–1044——Slight alteration in the aggregate circulation during the speculation in 1836 and 1837; 1045–1058——(*Mr. Neave.*) Remarks on the circumstance of there having been a decrease of about 1,000,000*l.* in the circulation of the Bank of England in 1836, and a corresponding increase in the circulation of other banks, 1058–1076.

(*Mr. Weguelin.*) Considerable diminution in the bullion between September 1846 and the autumn of 1847, and corresponding increase in the securities held by the Bank, whilst during the same time there was no material change in the amount of circulation, 1077–1106——The advance of capital by the Bank, and the amount of bullion and of securities held by the Bank, may be said to be uncontrolled by the Act of 1844; 1105——The notes in reserve, representing the bullion upon which they are issued, are liable to diminution and increase, and are not included in the term circulation, 1105, 1106. 1111–1114——(*Mr. Neave.*) The notes in reserve are as much issue as though they were in the hands of the public, 1106–1110.

(*Mr. Weguelin.*) Great fluctuation in the reserve of notes in the Banking Department in 1847 and 1848, and corresponding fluctuation in the bullion without any effect upon the active circulation, 1111–1121——Question as to the advantage of a different form of account, in order that the public might see that a decline in the reserve represents a variation in the bullion, and not in the active circulation, 1118. 1129, 1130——The advantage of the present separation of the accounts is, that it keeps before the eyes of the public the restraint upon the Bank not to issue more than 14,000,000 *l.* upon securities, 1118. 1167——As a rule, variations in the bullion depend upon variations in the advances upon securities, 1125–1128.

Great effect of the reserve of the Bank upon the trade of the country; it represents the accumulation of unemployed capital, 1130——Effect of advances of capital, but not of the amount of circulation on trade and prices, 1131–1135——Further opinion that the note-holder should have a greater claim than the depositor upon the effects of the Bank, 1136, 1137——Argument, that under the Act of 1844, the legal claim applies equally to all the assets of the Bank, whether on the part of the note-holder or of the depositor, 1138, 1139. 1147–1155. 1158.

(*Mr. Neave.*) Dissent from the foregoing evidence; opinion, that by the separation of the two departments, the depositor can have no claim upon anything lodged in the Issue Department, 1139–1147. 1156–1158——The Bank of England are merely administrators of the Issue Department, 1144, 1145——The Bank note is not a legal tender on the part of the Banking Department, 1146, 1147. 1158——(*Mr. Weguelin.*) Argument, that the Act intended that notes should be a legal tender in the Banking Department, 1147–1155. 1158——Practice of the Banking Department to pay cheques in notes, which are exchangeable in the Issue Department, 1149–1153. 1253–1256.

It is at least equally important to retain a reserve against the deposits as against the circulation, 1159–1163——In the management of the Bank, the main thing to look to is the proportion of unemployed bullion, 1164, 1165——The whole object of the Act of 1844 would probably be gained if the Bank were required to keep a certain amount of bullion in proportion to its circulation and deposits, 1166, 1167.

Consideration of a form of account (produced by Mr. Wilson), in use since 1832, in the case of Colonial banks of issue; doubt as to any advantage if a similar form were adopted by the Bank of England in lieu of the present double form, 1168–1180——(*Mr. Neave.*) Exception taken to the form of account proposed by Mr. Wilson, 1175, 1176.——(*Mr. Weguelin.*) As regards the Government debt of 11,000,000 *l.*, no advantage would accrue if the Bank were empowered to turn it into convertible securities, 1181–1183. 1242.

Power of the Governor of the Bank to alter the rate of interest at any time, without reference to the Court, 1184–1190——The rate is usually fixed every Thursday by a majority of the court, and the Governor rarely alters it subsequently, 1184, 1185. 1188——Except on temporary occasions, witness further states, that the Bank has no power of regulating the market rate of discount, 1191–1199——The only safe rule for the Bank to adopt is, to be guided by the principle of supply and demand, and to follow the market rate, 1200–1212.

As a means of correcting adverse exchanges, witness further advocates a restriction of the terms of loans, rather than an advance in the rate of interest, 1201, 1202. 1205–1216. 1234–1236. 1261–1266——The successful management of the Bank during the last two or three years of pressure was not in any way a consequence of the Act of 1844; 1217–1221——The same management of the pressure of 1847, as of the recent pressure, would hardly have been followed by similar good results; the circumstances of the two periods were widely different, 1218, 1219.

The comparatively large reserves of bullion held by the Bank since 1844 are attributable to discretion in the management, and not to the restrictions of the Act; without the Act there would be the same obligation felt to retain a sufficient reserve of

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bullion, 1222–1232——(Mr. *Neave.*) Opinion that the reserve of gold being greater since 1844 is a consequence of the Act, 1224——As regards the pressure in 1847 and the late pressure, the Bank took prompter measures on the latter occasion, *ib.*

(Mr. *Weguelin.*) Large bullion reserves of the Bank of France during the late war, although there is no statutory obligation as to the proportion of its reserves, 1226–1231——Belief that the Bank of France are limited to a maximum rate of six per cent. discount, 1233——Restriction placed by the Bank of France upon the terms of loans on bills, 1234–1236.

Approval of a certain proportion of the Bank directors going out by rotation, 1237–1239——Sense in which the loan of 11,000,000 *l.* to Government at three per cent. is a sort of compensation for the privileges of the Bank, 1240, 1241——Advantage in making up a weekly account for the Gazette of Friday, rather than of Tuesday, 1243, 1244——Practice of the Bank in regard to light silver: they do not lose by it, 1245–1248——Light sovereigns are taken at the bullion price of 77*s.* 9*d.* the ounce, 1249.

There would be no difficulty in publishing the weekly account in two forms, 1251, 1252——Further statement that the rate of interest is governed by the state of the reserve as affected by the demand for bullion, 1257, 1258——There is a resolution of the Court that the rate shall always be kept approximate to the current rate out of the Bank, 1259——The Court has recently passed a resolution in favour of a reduction of the proportion of directors retiring annually, 1260——With regard to the increased issue by the Bank of 475,000 *l.* in lieu of lapsed country issues, Government receives two per cent. from the Bank upon such increase, 1267.

[Fifth Examination.]—(*Mr. Weguelin.*) Further expression of the opinion that the Act of 1844 did not affect a legal appropriation of the assets transferred to the Issue Department, to the ultimate payment of the notes, 1268–1279. 1282, 1283——Words in the Act which infer that the directors are restrained from taking bullion out of the Issue Department without bringing in or cancelling notes for it, 1296–1272. 1278, 1279——Repetition of opinion that the noteholder should be placed upon a better footing than the depositor, 1280——Absence of prejudice to the depositor by the restrictions of the Act in regard to providing for the notes, 1281.

Propriety of dismissing from one's calculation so remote a contingency as an insolvency of the Bank, 1284–1286 ——The convertibility of the note being provided for by the Act, and the circulation taking care of itself, witness fully approves of the attention of the Bank direction being confined to the Banking Department, and of the present separation from the Issue Department, 1287 *et seq.*——Further approval of the present form of account as admitting of clear apprehension on the part of the public, 1297–1300.

Except under peculiar circumstances, and to a limited extent, witness further states that the Bank cannot extend its issues, 1301–1308. 1312——Circumstance of there having been an increase of nearly 3,000,000 *l.* in the country bank circulation between 1833 and 1836; 1308–1311——Objection to speculation being supported upon an increased credit circulation rather than an accumulation of capital, 1311. 1314, 1315.——Probable effect upon trade if the Bank were to force an additional issue of 5,000,000 *l.* by lowering the rate of discount, 1316–1329——Reference to the diminution of the note circulation since 1853, whilst a larger quantity of gold and silver has been employed, 1325–1329.

On the whole, witness fully approves of the Act of 1844, and is not prepared to recommend any material alteration of it, 1330——Winess decidedly objects to an issue of notes by the Bank of England, or any other bank, unless there be an ample reserve of gold in the one case, and of Bank of England notes or gold in the other case, wherewith to pay the notes of issue, 1331——As regards the legal question relative to the respective claims of depositors and noteholders, Mr. Freshfield, the late solicitor to the Bank, has given an opinion thereon which witness considers to be in conformity with his own, 1333, 1334.

Weguelin, Mr. Letter from Mr. Weguelin to the Chancellor of the Exchequer, dated 10th November 1856, with reference to the operation of the Acts of 1844 and 1845, and in general approval of the former Act, *App. p.* 1–4.

Wells, Hogge and Lindsell (*Biggleswade*). Memorial of those bankers, suggesting that the time permitted for taking the averages of the circulation, be extended from one month to six months, and the year be divided into two periods of six months each, and requesting to be put upon the same footing as the Scotch and Irish banks in regard to issue, *App. p.* 351.

West Riding Union Bank. Memorial of this bank, praying to be placed on the same footing as Scotch and Irish banks in regard to the issue of notes, *App. p.* 348.

Western Bank of Scotland. This bank represents the very serious disadvantages which, from not being incorporated, it is by the Act of 1844 extended to Scotland in 1846, made to be under in comparison with other Scotch banks, which had obtained charters

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of incorporation previously to 1844; and from not being allowed to obtain incorporation, except by subjecting itself to disabilities from which other banks are exempt, *App. p.* 332, 333.

Particulars as to the amount of capital, &c., and of the authorised and actual circulation in April 1857, *App. p.* 333.

Statement on the part of the Bank in favour of rendering the authorised circulation of Scotch banks more adequate to the increased and legitimate wants of the country, *App. p.* 339, 340.

Westmoreland Banks. Petition by the bankers of Westmoreland, &c., praying to be put on the same footing as Scotch and Irish banks in regard to the issue of notes, *App. p.* 347. 354—— Petition from these banks, praying for an extension of the time for striking the average of their circulation, *ib.*

Whitehaven Banks. Memorial from the Bank of Whitehaven and the Whitehaven Joint Stock Banking Company, &c., praying to be put on the same footing as Scotch and Irish banks with regard to the issue of notes, *App. p.* 347.

Wilson, Francis. Statement by Mr. Wilson, dated 12th November 1856, in approval to a certain extent of the Act of 1844, but recommending that there be a power of temporary relaxation and extension of the limit upon issues, *App. p.* 19.

Wright, James. Letter from Mr. Wright, manager of the Boyal Bank of Scotland, to Sir G. C. Lewis, dated 3d December 1856, approving of the principle of the Act 8 & 9 Vict. c. 38, but suggesting an enlargement of the amount of circulation assigned to the Scotch banks, and an extension to eight weeks of the period for striking the averages, *App. p.* 329, 330.